

MODERN SLAVERY STATEMENT

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

ABN 30 163 277 718

1 July 2021 – 30 June 2022

MODERN SLAVERY STATEMENT

Downward Spiral Enterprises (Tas) Pty Ltd

This Modern Slavery Statement sets out the actions taken to assess and address the risks of modern slavery practices in Downward Spiral Enterprises (Tas) Pty Ltd and its subsidiaries, known collectively as DSE, being an entity based and operating in Australia.

This is our second annual statement in accordance with the reporting requirements of the Modern Slavery Act 2018 (Cth) for the period 1 July 2021 to 30 June 2022.

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. 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.

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 a museum, hospitality and winery operations, event and 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
- Aegres Art Group Pty Ltd ABN 60 143 379 819

Operations

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

For the 2022 reporting year the number of employees engaged by Moorilla Estate averaged 482 people, with an increase to 635 people for the festival delivery requirements in January. Nearly all staff are based in Tasmania, Australia, with a few employees in Victoria, Australia and one employee based in Geneva, Switzerland.

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 on the design and operation of creative precincts. It is responsible for the delivery of Hobart's annual winter festival known as Dark Mofo. It 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. The number of DarkLab employees during the reporting period was an average of 69 people with an increase to 446 people for the winter festival.

Aegres Art Group is a technology services company that delivers project services to the DSE subsidiary companies and other local clients in Hobart. Aegres directly employs 10 people in Tasmania.

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

Supply Chain

Our operations involve hundreds of suppliers from a wide variety of categories. The majority of goods and services are procured locally for the operations involved and from suppliers located within Australia. Companies located in Australia represent over 95% of the companies we engage with as tier one suppliers.

Direct suppliers from outside Australia are either located in European Union countries or the USA which operate under similar or equivalent modern slavery legislation and so represent a low risk of unethical procurement practices. These suppliers are primarily related to Art and Artist related costs and represent less than 5% of our tier one suppliers with less than 10% of total spend.

Overall our supplier spend includes the primary category of Art and Artist related costs, which represent greater than 25% of total procurement spend. In addition the others types of goods and services that we directly purchase include:

- Event and exhibition costs
- Food and beverages
- Building maintenance services
- Professional services including architects and engineering consultants
- Security services
- Cleaning, laundry services and waste removal
- IT related hardware, software, equipment and services
- Consumables such as packaging, cleaning and hospitality products, office supplies
- Utilities
- Advertising and marketing, media and design services
- Transport services
- Construction and building services
- Accounting and legal advice
- Apparel 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 acknowledged that modern slavery risks are more likely to exist in industries or sectors where these practices are prevalent. Within Australia the industries and sectors known 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 who are at low risk we rely on payroll processes and regular audit checks to ensure all employees are paid in accordance with their relevant modern award or contract.

It continues to be the case that the highest risk areas in our operations are our cleaning and vineyard employees, and migrant workers employed under visa conditions in our hospitality and horticulture teams. We mitigate this risk by ensuring our employee onboarding process includes checks and balances relating to visa conditions and the right of employees to work in Australia.

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 ultimately 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 we currently lack visibility into the secondary levels of our supply chain and the source materials used in and by our directly purchased goods and services. As many of these may be from overseas markets we acknowledge that this carries additional risks of modern slavery. Extended supply chain mapping is an activity to be commenced in the next reporting cycle.

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 procurement includes a sourcing strategy to only champion plant-based dishes, wild and feral meat which is preferably Tasmanian sourced, and 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.

Our procurement processes and contract documents include modern slavery risk considerations and assessments. These are completed prior to contract decisions being implemented.

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

We continue our program of work to better identify modern slavery risks in our operations and supply chain. This will include annual updates to our risk assessments, deeper mapping of our supply chain, revising policies and procedures and delivering training to improve identification, remediation and annual reporting of outcomes.

Actions Taken in our Operations

During the reporting period, we undertook a review of our operations to identify modern slavery related risks. It is considered that employees with irregular pay or inconsistent rosters could be more vulnerable than permanent employees.

Annual wage increases were implemented in July 2021 for all employees which included a higher percentage increase for staff with the lowest annualised salaries. The wage increase was also applied to all award based staff to provide them with a pay rate at a fixed percentage higher than the Modern Award safety net of minimum pay rate. This fixed percentage increase has been maintained as the award rate has continued to be adjusted by the national regulators.

In October 2021 we enacted an updated employment review process to ensure that casual workers entitled to be offered permanent employment were provided that opportunity, in accordance with the requirements of the Fair Work Act. Of the 84 employment offers made at the time, 37 were accepted by the individuals and transferred to permanent employment. This process is now undertaken on a regular basis.

Our employment policies provide for an understood and agreed standard of conduct for all employees. In November 2021 an updated and new set of policies was released to the organisation along with training. Policy updates and training are intended to improve our ability to assess and address the risk of modern slavery practices in our operations by reinforcing a work environment that respects human rights and is free from unlawful discrimination and harassment.

Our current policy suite includes:

- 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
- Declarations of Interest Policy

The updated 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 was newly introduced and 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.

Action Taken in our Supply Chain

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

- Contractor Engagement Policy
- Declaration of Interests Policy
- Procurement Expenditure Guidelines

Procurement within all our operations remains decentralised. In November 2021 an additional resource joined the centralised procurement function to assist with future efforts including improving the management and oversight of external supplier relationships, review of supplier entities, and providing expert assistance to our operations with best practice procurement.

During the reporting period we commenced a review on our purchase of textiles including clothing and cotton products for the purpose of staff uniforms. From November 2021 a group of employees has been assigned to review design, manufacture options, raw materials and distribution for all garments supplied to staff as uniforms with a primary objective to source and purchase ethically produced and sustainable textiles and clothing, and reduce the risk of purchasing items produced in sweatshops or by cheap labour.

We also commenced a review of our supplier engagement processes and principles in order to be in a position to migrate our existing supplier database to a new financial system in the future, which should introduce efficiencies that will enable resources to conduct more thorough due diligence of suppliers and supply chains.

Due diligence and remediation process

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

We are committed to expanding our modern slavery awareness training for our day-to-day operations to enable improved due diligence in the organisation and extend our supplier review process to enable risk identification, review and improvement.

We have made our Governance committee aware of our organisation's Modern Slavery obligations. The Governance committee includes senior managers and representatives including the CEO, Operations, Finance, People & Culture, Safety, Procurement, Compliance, Technologies, Public Affairs and Sustainability.

We continue to work on developing a remediation process that could extend beyond our current process. This involves an initial collaborative approach with a supplier identified as high risk with consideration of stopping further engagement with the supplier if it appears the risk of modern slavery cannot be resolved.

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 developing our approach and understanding of how modern slavery risks may be present in our operations and supply chain. We are not yet able to fully assess the effectiveness of measures we have undertaken, however as our processes improve we intend to 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 all of DSE. 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 1 May 2023.



David Walsh

Sole Director

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