

MODERN SLAVERY STATEMENT

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

ABN 30 163 277 718

2021

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 first statement in accordance with the reporting requirements of the Modern Slavery Act 2018 (Cth) for the period 1 July 2020 to 30 June 2021.

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, meaning situations where children are subjected to slavery or similar practices, or engaged in hazardous work.

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 to ensure 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.

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 2021 reporting year the number of employees engaged by Moorilla Estate averaged 430 people, with an increase to 525 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 community gardening and directly employed 11 people during the reporting year.

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 in Hobart as well as operating the Odeon Theatre in Hobart. The number of DarkLab employees during the reporting period was an average of 65 people with an increase to 340 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. Aegres directly employs 8 people.

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. Direct suppliers from outside Australia are primarily located in European Union countries which operate under equivalent modern slavery legislation and represent a low risk of unethical procurement practices.

In addition to Art and Artist related costs, the main types of goods and services that we directly purchase include:

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

Risks of modern slavery practices in our operations and supply chain

Operations

The majority of our employees are based in Australia with all employment arrangements regulated by the Fair Work Act (Cth) and relevant modern awards. This coverage reduces the risk of DSE causing, contributing or being directly linked to modern slavery practices in our operations.

Areas in our operations recognised as possible higher risk include our cleaning and vineyard employees and migrant workers employed under visa conditions. We mitigate these areas of risk by ensuring our employee onboarding process includes checks and balances relating to visa conditions and the right of employees to work in Australia. Our payroll process and audits ensure all employees are paid in accordance with their relevant modern award or contract.

Supply chain

Our supply chain is diverse and dispersed amongst hundreds of small to medium sized enterprises. We recognise that our exposure to modern slavery risk arises from the global supply chain that our operations are involved in, including geographic risks, industry risks, product and services risks, and supplier entity risks.

Areas of our supply chain recognised as possible higher risk include:

- Textiles including corporate clothing and linen products
- Labour hire resources including cleaning and fruit picking services
- IT hardware and software supply
- Food suppliers such as the fishing industry
- Equipment, tools, consumables including personal protection equipment and materials supplied from outside Australia.

Our food and beverage procurement includes a sourcing strategy to only purchase sustainably produced meat products and handline caught fish. We consider this a mitigation of the risk of procuring seafood from overseas industries where modern slavery could be prevalent.

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

We are undertaking a long term program of work to identify modern slavery risks in our operations and supply chain. This will include updating the risk assessment process, ongoing mapping of our supply chain, and revising policies and procedures to improve identification, remediation and annual reporting of outcomes.

Operations

We have employment policies in place which provide for an understood and agreed standard of conduct for employees, including:

- Remuneration policy confirming the Modern Award safety net of minimum pay rates
- Performance and Conduct Management Policy
- Workplace Behaviour and Equal Employment Opportunity policy
- Declarations of Interest Policy

During the reporting period a consultation and review process was undertaken to ensure future policy updates will set a new standard of conduct that encourages ethical behaviour and values the human rights of all individuals. This is 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.

The World Health Organisation declared the spread of Coronavirus (COVID-19) a public health emergency on 31 January 2020 and upgraded it to a global pandemic on 11 March 2020. All our operations were impacted by the COVID-19 pandemic during the reporting period including a 9-month museum closure and the cancellation of the June 2020 winter festival. This resulted in many employees being stood-down for parts of the reporting period.

The receipt of Job Keeper was a welcome relief during the COVID-19 shutdown of operations. We extended an equivalent level of support to our population of vulnerable employees who were ineligible to receive the government funding. This was provided to 40+ employees for the nine-month period of Job Keeper payments and was a way to assist individuals in vulnerable positions to remain safe from an increased risk of modern slavery.

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 within all our operations is decentralised. Since March 2020 there has been a dedicated resource assigned to the procurement function to coordinate future efforts through a central process. This role is accountable for improving the procurement function, including the creation of new procedures, improving the management and oversight of external supplier relationships, consolidation of supplier information, and providing training to operations in best practice procurement.

Actions taken during the reporting period include:

- Creation of new tender documents, tender decision tools and contract precedents to ensure modern slavery risk considerations and assessments are completed prior to contract decisions being implemented
- Purchase order implementation within existing financial systems to assist with supplier management and obligations
- Education of operational groups in procurement practices and supplier engagement
- Publication of a Procurement Expenditure Guideline in June 2020 to assist with approval limits and oversight
- Publication of in-house guidelines to assist with sustainable procurement decisions

During the COVID-19 shutdown of operations we remained in regular contact with local suppliers to provide impact updates. As an opportunity to improve supplier financial security, we shortened standard payment terms for the majority of our suppliers from 30 days after the end of month, to 10 days after the end of month. The shortening of payment terms provides improved cash flows for suppliers and increases our supplier's resilience to the risk of modern slavery practices.

Due diligence and remediation process

We have commenced modern slavery awareness training and awareness in relation to our day-to-day operations. Our procurement representatives will collaborate with other local supply chain managers to better identify, measure and respond to modern slavery supply chain risks in our region and industry.

A supplier due diligence process has commenced for local operations. As part of our commitment we intend to expand the due diligence questionnaire to all existing and future suppliers and include specific modern slavery questions to enable risk identification, review and improvement.

A governance working group comprised of representatives—including the CEO, procurement, compliance, technologies, facilities & assets, public affairs, finance, safety, sustainability and people & culture—will oversee the ongoing modern slavery program of work including the development of an agreed remediation process. This would involve a collaborative approach with any supplier initially and then 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 will be implementing 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.

As we develop our approach and understanding of modern slavery risk, our processes will improve and our ability to assess the effectiveness of our actions will be enhanced.

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 25 July 2022.



David Walsh
Sole Director

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

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