

Report on Compliance with the Supply Chains Act (Bill S-211)

Reporting Entity: Prairie Dust Inc

**Financial Reporting Year: November 1st,
2022, to October 31st, 2023**

Business Number(s): 862326691

**Identification of a Revised Report: Not a
revised report**

**Identification of Reporting Obligations in
Other Jurisdictions: N/A**

**Entity Categorization According to the Act:
Corporation**

Sector/Industry: Farming/Agriculture

Location: Alberta, Canada

Introduction

Prairie Dust Inc, a corporation in the farming and agriculture sector located in Alberta, Canada, submits this report to comply with the Supply Chains Act (Bill S-211) for the financial reporting year ending on October 31st, 2023. This report outlines the steps taken by our organization to prevent and reduce the risk of forced labor and child labor in our activities and supply chains.

Section 11(1) - Steps Taken to Prevent and Reduce Risks

Detailed Action:

Prairie Dust Inc acknowledges the importance of ensuring that forced labor and child labor are not used at any stage of the production of goods in Canada or elsewhere by our entity or in goods imported into Canada by our entity. During the reporting year, we have taken several measures to prevent and reduce these risks:

Supplier Audits and Assessments:

- Conduct regular checks of our suppliers and subcontractors to ensure their strict compliance with labor standards and applicable laws.
- Apply a risk-based approach to identify high-risk suppliers or regions where forced labor and child labor vulnerabilities were most prominent.
- Conduct comprehensive assessments of supplier and subcontractor labor practices, meticulously examining recruitment processes, working conditions, and age verification to guarantee adherence to our stringent standards.

Supply Chain Mapping:

- Periodically develop and update an all-encompassing map of our supply chain, meticulously tracing every tier of suppliers and sub-suppliers.
- Conduct diligent assessments at each node of our supply chain, paying particular attention to regions with a historical prevalence of labor exploitation.

Supplier Code of Conduct:

- Establish an unequivocal and non-negotiable supplier code of conduct that explicitly prohibits forced labor and child labor.
- Maintain a strict stance that suppliers not meeting these ethical standards risk discontinuation of our business relationship, accompanied by immediate notification to relevant authorities.

Due Diligence Procedures:

- Put in place robust due diligence procedures, continuously evaluating our suppliers' strict adherence to our code of conduct.
- Engage in regular and rigorous reviews of supplier performance, providing constructive feedback and promptly mandating corrective actions when violations are identified.

Worker Engagement:

- Actively encourage an environment of open communication with workers throughout our supply chain, facilitating the reporting of any labor violations without fear of retaliation.
- Establish secure mechanisms that guaranteed workers' ability to voice their concerns and grievances, reinforcing our commitment to safeguarding their rights.

Training and Awareness:

- Periodically conducted targeted training programs, ensuring that all our employees, suppliers, and subcontractors are well-versed in recognizing and addressing forced labor and child labor risks.
- Ensure that workers are fully aware of their rights and provided them with clear procedures for reporting any violations, promoting a culture of accountability.

Age Verification:

- Implement rigorous age verification procedures, leaving no room for ambiguity in confirming the eligibility of workers and guaranteeing the exclusion of child labor.
- Maintain meticulous and up-to-date records of workers' ages and identification to provide concrete evidence of our compliance.

Legal Compliance:

- Stay up-to-date with relevant labor laws and regulations across all regions of our operation.
- Ensure that all our employment contracts and practices rigidly adhere to legal requirements.

Whistleblower Protection:

- Instituted an unwavering commitment to whistleblower protection, ensuring that employees, suppliers, and subcontractors who bravely reported labor violations received absolute protection.
- Guaranteed strict confidentiality and non-retaliation measures for whistleblowers, safeguarding their rights and security.

These actions demonstrate a commitment to ethical and responsible business conduct, helping Prairie Dust Inc minimize the risk of forced labor and child labor within its operations and supply chains.

Steps Taken to Assess and Manage Identified Risks:**Assessment Steps in Practice:****Risk Identification:**

- Focus on high-risk regions, study suppliers, and identify vulnerable worker groups as primary areas of concern.

Employee Interviews

- Conduct in-depth employee interviews, and assess any suspicious third-party assessments.

Risk Evaluation:

- Prioritized risks based on their potential impact, ensuring that our mitigation efforts were targeted effectively.

Root Cause Analysis:

- Conduct investigations into the root causes of identified risks.
- Analyze why and how forced labor and child labor might occur in specific areas of our supply chain, pinpointing critical factors.

By implementing these tangible steps, Prairie Dust Inc took concrete actions to evaluate and manage identified risks related to forced labor and child labor. Our commitment to transparency and responsible business practices guided us in addressing these challenges, ensuring ethical conduct within our operations and supply chains.

Risk Management Steps:**Risk Mitigation Strategies:**

- Actively worked on specific strategies to mitigate identified risks. These strategies were tailored to address the root causes we identified during our risk assessment.
- Examples include:
 - Making significant changes to our recruitment practices to ensure they are ethical and comply with labor standards.
 - Reevaluating our supplier selection criteria to prioritize those who share our commitment to eradicating labor risks.
 - Diversifying our supply chain to reduce exposure to high-risk regions.

Supplier Engagement:

- Encouraged a culture of transparency and accountability within our supplier network.

Supply Chain Transparency:

- Promoted transparency within our supply chain by disclosing pertinent information about our suppliers and our ongoing efforts to combat forced labor and child labor.

Remediation Measures:

- Established clear and immediate procedures for addressing instances of forced labor or child labor, ensuring swift remediation steps.
- If needed will provide comprehensive support to affected workers and report any violations to relevant authorities as necessary.

Continuous Improvement:

- Demonstrated our commitment to continuous improvement by regularly reviewing our risk assessment and management strategies.
- Adapted to emerging risks and best practices within our industry.

Whistleblower Safety:

- Ensured that workers and stakeholders could confidently report labor violations without fear of retaliation.

Legal Compliance:

- Ensured that all risk management efforts fully aligned with local and international labor laws and regulations.

By following these steps, Prairie Dust Inc can proactively assess and manage identified forced labor and child labor risks, working toward compliance with the Supply Chains Act while promoting ethical and responsible business practices.

Section 11(3) - Supplementary Information**(a) - Structure, Activities, and Supply Chains****Structure**

Prairie Dust Inc operates as a family-owned and operated corporation based in Alberta, Canada. As a corporation, we adhere to the legal framework governing our operations, ensuring compliance with all relevant laws and regulations. Our structure is characterized by:

- **Legal Structure:** Prairie Dust Inc is registered as a corporation, which reflects our commitment to conducting business with transparency and accountability.
- **Ownership:** We are a family-owned business, which emphasizes our dedication to maintaining strong family values and principles in all aspects of our operations.
- **Employee Base:** Prairie Dust Inc is proud to employ between 50 to 100 individuals who are primarily recruited from the local community. Our workforce plays a pivotal role in our success, and we value their contributions greatly.
- **Community Engagement:** We are deeply integrated into the local community, and our operations have a substantial impact on the region. Our commitment to eco-friendly farming practices and safety aligns with our mission to contribute positively to the community we serve.

Mission Statement:

At Prairie Dust Inc, our mission is clear and resolute:

"At Prairie Dust Inc, our foremost commitment is to foster a thriving environment where our employees and their families can flourish. Through sustainable and safe cultivation practices, we prioritize the well-being of our team members, ensuring a supportive workplace that values their safety, health, and growth. By nurturing a culture of inclusivity and care, we aim to provide not only premium crops but also a fulfilling livelihood for our employees, contributing to a prosperous future for all."

Our mission statement epitomizes our dedication to creating a workplace where employees and their families are at the forefront. We believe that by prioritizing their well-being and growth, we not only ensure the success of our business but also enrich the lives of those who contribute to it.

Activities: Diversified Agricultural Operations: Prairie Dust Inc specializes in a variety of farming activities, with a central focus on providing a nurturing environment for our employees and their families. Our operations are situated on a private family farm in the pristine agricultural landscape of Alberta, Canada.

Sustainable Crop Rotation for Livestock Welfare: Understanding the significance of sustainable agriculture, we have integrated a comprehensive crop rotation strategy into our operations. This strategy not only enhances soil health but also ensures the well-being of our livestock, thereby contributing to the flourishing environment we aim to create.

Family-Centric Values: Our farm is not just a place of work; it's a reflection of our deep-rooted commitment to family values. Through sustainable practices, quality assurance, and community engagement, we foster a sense of belonging and support for all our employees and their families.

Local Sustainability and Beyond: While our primary focus is on local sustainability, we recognize the global impact of responsible farming practices. Prairie Dust Inc endeavors to lead by example in promoting environmentally conscious farming methods and ethical production standards, ensuring a brighter future for generations to come.

Supply Chains:

Prairie Dust Inc recognizes the significance of its supply chains in ensuring the prevention of forced labor, child labor, and other human rights violations. We have established relationships with several key suppliers who play an integral role in our business operations. Below, we provide information about some of our most commonly used suppliers and their respective statements regarding modern slavery and human rights practices:

Viterra

- Supplier Statement: [Link to Statement](#)
- Viterra does not accept modern slavery practices in any of our business activities, from our third parties or our suppliers. We have zero tolerance for any form of modern slavery, including forced, compulsory or child labor as per International Labour Standards (ILO) standards, physical assault or harassment within our workplace.

Parrish and Heimbecker

- Supplier Statement: [Link to Statement](#)
- P&H has established an Ethics Line to allow customers, suppliers, and employees to raise concerns about potential misconduct. The Ethics Line is operated by a third-party vendor, providing a secure and confidential method for reporting issues or raising concerns.

Nutrien

- Supplier Statement: [Link to Statement](#)
- Suppliers are required through the contract process to comply with our Supplier Code, which includes expectations for non-discrimination, a commitment to compliance with human rights laws, and the avoidance of forced labor, child labor, and human trafficking. We do not knowingly procure materials from conflict zones, which is prohibited by our Supplier Code.

Bayer

- Supplier Statement: [Link to Statement](#)
- [Link to Modern Slavery Act Statement](#)
- We have no tolerance for violations of human rights, modern slavery, nor human trafficking – we will not ignore them. We are committed to respecting and fostering human rights within our own business activities and in business relations along our value chains.

RBC (Royal Bank of Canada)

- Supplier Statement: [Link to Statement](#)
- As a financial institution with a diversified business model, we have implemented policies and procedures in our operations that are designed to identify key areas of potential impact on human rights. Those areas include human slavery and child labor, as well as human trafficking, which are addressed in RBC's Modern Slavery Act Statement.

BASF

- Supplier Statement: [Link to Statement](#)
- The BASF Group is committed to the abolition of forced labor, slavery, and human trafficking. This statement sets out the steps the BASF Group has taken during the financial year 2021 to ensure that slavery and human trafficking are not taking place in any of its supply chains and in any part of its own business.

Syngenta

- Supplier Statement: [Link to Statement](#)
- Syngenta's Code of Conduct addresses key issues such as hours of work, wages and benefits, child labor, and discrimination. We are committed to upholding these standards throughout our supply chain.

Other companies within our supply chain which have their headquarters situated in Canada or America which adhere to strict governed child slavery and forced labour laws include:

- DTS Power Fluid
- Durabelt
- Taber Home & Farm
- Brooks Industrial Metal

(b) - Policies and Due Diligence Processes

Prairie Dust Inc has developed and implemented policies and due diligence processes related to forced labor and child labor. These are embedded in our broader Responsible Business Conduct (RBC) strategy, policies, and mandate. Our due diligence process aligns with the steps outlined in the OECD Due Diligence Guidance for Responsible Business Conduct.

Zero-Tolerance Commitment: Prairie Dust Inc maintains a strict zero-tolerance policy against any form of forced labor or child labor in all our operations and supply chains.

Legal Compliance: We require all employees and suppliers to adhere to local and international labor laws and standards, including those specifically related to forced labor and child labor. Compliance with these laws and standards is a fundamental requirement for engagement with our organization.

Supplier Screening: Prior to engaging with new suppliers, we conduct a preliminary assessment to evaluate their commitment to ethical labor practices, including forced labor and child labor prevention.

Awareness Training: We provide our employees with comprehensive training on recognizing and reporting signs of forced labor and child labor. This training empowers them to play a crucial role in our due diligence process.

Reporting Mechanisms: Prairie Dust Inc has confidential reporting for employees to report any concerns related to forced labor or child labor without fear of retaliation.

Continuous Monitoring: We continuously monitor our operations and supply chains to identify potential risks related to forced labor and child labor. This ongoing assessment allows us to take proactive measures as needed.

Immediate Action: In the event of reported incidents or concerns related to forced labor or child labor, we take immediate corrective action and initiate investigations, as required, without relying on extensive documentation.

(c) - Forced Labor and Child Labor Risks

In the context of Prairie Dust Inc, a family-run Canadian farm, it's important to recognize the specific risks associated with forced labor and child labor in the agricultural sector. While we remain committed to preventing these risks, it's essential to acknowledge that certain factors within our industry can potentially create vulnerabilities. Some examples of forced labor and child labor risks that could potentially be prevalent in our farming operations include:

Forced Labor Risks:

1. **Seasonal Labor Exploitation:** Agriculture often relies on seasonal labor, which may lead to the exploitation of vulnerable workers. They might face long working hours, substandard working conditions, and inadequate compensation.
2. **Migrant Workers Vulnerability:** Hiring migrant workers can pose risks if proper protections are not in place. Language barriers, unfamiliarity with labor laws, and dependency on the employer for housing and transportation can create conditions conducive to forced labor.
3. **Subcontractor Practices:** Engaging subcontractors for specific tasks may increase the risk of forced labor if these subcontractors do not adhere to fair labor practices. Lack of oversight can result in labor exploitation.
4. **Supply Chain Complexity:** The supply chain in agriculture can be intricate, especially in the procurement of seeds, fertilizers, and other inputs. Ensuring that these suppliers do not engage in forced labor practices is crucial.

Child Labor Risks:

1. **Family-Based Farming:** In family-run farms, children may be involved in various agricultural activities from a young age. While this can provide valuable life skills, it's essential to ensure that their involvement is in compliance with child labor laws and does not jeopardize their education or well-being.
2. **Rural Communities:** Farms often operate in rural areas where limited economic opportunities are available. In such communities, there may be a greater likelihood of children engaging in agricultural work, which needs to be carefully monitored.
3. **Subcontractor Practices:** Similar to forced labor risks, subcontractors who employ child labor can pose significant challenges if not properly managed

(d) - Specific Remediation Actions

Recognizing the importance of addressing forced labor and child labor risks within our operations and supply chains, Prairie Dust Inc has established a comprehensive approach to remediation. Below, we outline specific remediation actions that may be taken in response to identified risks:

Immediate Cessation: In the event that children are identified through affiliations with our operations and found to be involved in activities violating child labor laws, we are committed to promptly discontinuing any such involvement. Our primary concern is to safeguard the safety and well-being of these children.

Education and Support: For children discovered to be engaged in labor-related activities through affiliations with our operations, Prairie Dust Inc will prioritize their educational and holistic development. We will collaborate with local authorities and organizations to ensure they have access to high-quality education, healthcare, and social assistance.

Guardianship and Family Support: Upon detecting child labor within our affiliations, we will take measures to place the child under appropriate guardianship while providing support to their families to enhance their economic circumstances. This includes facilitating access to alternative income opportunities for these families.

Preventive Measures: To proactively prevent future instances of child labor through affiliations, we have established recruitment and verification procedures that ensure individuals of legal working age are engaged. Our training programs for employees and suppliers will underscore the importance of adhering to child labor laws.

(e) - Addressing Income Loss to Vulnerable Families

At Prairie Dust Inc, we are deeply committed to addressing income loss to vulnerable families that may result from our efforts to eliminate the use of forced labor or child labor in our activities and supply chains. We recognize the importance of maintaining the economic stability of these families while ensuring adherence to ethical labor practices. To this end, we have established a series of actions and measures:

Fair Compensation for Wrongdoing: If we are found responsible for any adverse impact leading to income loss for vulnerable families, we commit to providing fair and timely compensation. This includes addressing proven instances of forced labor or child labor within our operations or supply chains.

Non-Discriminatory Practices: Prairie Dust Inc maintains a strict anti-discrimination policy, ensuring that all employees, including vulnerable family members, are treated fairly and without bias. Discriminatory practices based on gender, age, ethnicity, or any other factors are strictly prohibited.

Employment Opportunities: Whenever feasible, we create job opportunities within our operations for vulnerable family members who are willing and able to work. These positions are offered in a non-exploitative manner, with fair wages and decent working conditions.

Access to Resources: Prairie Dust Inc endeavors to ensure that vulnerable families have access to essential resources, including healthcare services, education, and safe housing, which can mitigate the impact of income loss.

Community Development: Prairie Dust Inc is committed to supporting broader community development initiatives. By investing in infrastructure, education, and healthcare facilities within surrounded communities, we aim to create long-term opportunities for economic growth that benefit vulnerable families.

(f) – Training Provided to Employees

At Prairie Dust Inc, we have prioritized the education and awareness of our employees regarding forced labor and child labor issues. Our comprehensive training programs were designed to ensure that our workforce is well-informed and equipped to identify, prevent, and address these critical concerns. These programs included:

- **Legislative Framework:** We provide employees with an understanding of the relevant national and international laws and regulations pertaining to forced labor and child labor.
- **Identification and Risk Assessment:** Employees are educated on how to recognize potential indicators of forced labor and child labor within our supply chains.
- **Ethical Labor Practices:** We highlight the importance of ethical labor practices and the social responsibility of our organization.
- **Reporting Mechanisms:** Employees are informed about internal reporting mechanisms and channels for reporting suspected instances of forced labor or child labor.
- **Community Engagement:** We emphasize the significance of community engagement and positive interactions with the shareholders.

(g) - Assessing Effectiveness

Prairie Dust Inc employs tangible methods to evaluate the effectiveness of our efforts in preventing and reducing the risk of forced labor and child labor in our activities and supply chains. While we do not rely on specific audits, documents, or records that may expose us to legal or privacy concerns, we ensure effectiveness through the following means:

Stakeholder Feedback: We actively engage with stakeholders, including employees, suppliers, and local communities, to gather feedback on our initiatives and to identify potential concerns related to forced labor and child labor.

Internal Reporting Mechanisms: We maintain open channels for employees to report any suspected incidents or issues related to forced labor and child labor, promoting a culture of transparency and vigilance.

Supplier Engagement: We encourage open dialogues with our suppliers to understand their efforts in combating forced labor and child labor and to encourage responsible practices throughout the supply chain.

Training Effectiveness: We assess the effectiveness of our employee training programs through feedback mechanisms. This ensures that our workforce remains informed and vigilant.

Continuous Improvement: We commit to a process of continuous improvement by regularly reviewing our policies and procedures, making necessary adjustments based on the evolving landscape of forced labor and child labor risks.

Incident Response: In the event of any reported incidents or concerns related to forced labor or child labor, we respond promptly, investigate thoroughly, and take corrective actions as required, without the need for extensive documentation.

Conclusion

Prairie Dust Inc is committed to upholding the principles of responsible business conduct and ensuring that forced labor and child labor are not used within our activities and supply chains. We will continue to monitor, assess, and improve our practices in this regard.

Attestation

I, Alfred Lyle Ypma, in my capacity as Director of Prairie Dust Inc, hereby attest to the accuracy and completeness of the information provided in this compliance report for the financial reporting year ending on October 31st, 2023. I affirm that all the details, actions, and measures outlined in this report accurately represent the steps taken by Prairie Dust Inc to prevent and reduce the risk of forced labor and child labor within our activities and supply chains, in compliance with the Supply Chains Act (Bill S-211).

I acknowledge our commitment to responsible business conduct and the paramount importance of ensuring that forced labor and child labor are eradicated from our operations and supply chains. I further confirm that Prairie Dust Inc has taken concrete and diligent measures to assess and manage identified risks, as well as implement remediation actions where necessary, in alignment with the principles of ethical and sustainable business practices.

Furthermore, I assert that Prairie Dust Inc's mission, values, and commitment to the welfare of our employees, suppliers, and the broader community have been accurately represented in this report. We remain steadfast in our dedication to sustainable farming practices, livestock well-being, and the economic stability of vulnerable families.

I understand the significance of this compliance report in promoting transparency, accountability, and responsible business conduct, and I take full responsibility for its contents. It is my sincere belief that Prairie Dust Inc's actions and initiatives detailed herein reflect our unwavering commitment to ethical standards and compliance with the Supply Chains Act.

Signed,



Alfred Lyle Ypma, Director, Prairie Dust Inc

Date: 2/8/2024