

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

Reporting Entity: Prairie Dust Inc

Financial Reporting Year: November 1st, 2024, to October 31st, 2025

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

1 Introduction

Prairie Dust Inc. (“Prairie Dust,” “the company,” “we,” or “our”) is a family-owned agricultural corporation operating on the Canadian Prairies. From our base in southern Alberta we cultivate rotational field crops, raise a small herd of livestock, and market grain and forage products to domestic buyers. The business employs between fifty and one hundred people, most of whom come from the surrounding rural communities. Our founding family remains closely involved in daily operations, and our corporate culture emphasises sustainability, community engagement, and the well-being of employees and their families.

Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (Bill S-211, “the Act”) requires certain corporations to publish an annual report describing the measures they took in their most recently completed financial year to prevent and reduce the risk that forced labour or child labour is used (a) in the production of goods by the entity or (b) in goods imported into Canada on the entity’s behalf. Prairie Dust exceeds the Act’s size thresholds and therefore files this report—its third annual submission—for the financial year 1 November 2024 to 31 October 2025.

The reporting period was again one of stability. Prairie Dust’s organisational structure, supplier base, and operational footprint remained substantially the same as in the two preceding years. No significant acquisitions, divestitures, or new high-risk sourcing regions were introduced. We did not receive allegations of forced labour or child labour involving our own operations or those of our direct suppliers. As we have noted in prior reports, the absence of incidents does not invite complacency; our prevention programme remains active and is periodically reassessed.

This document follows the layout suggested by Public Safety Canada: Section 11(1) outlines the steps taken to prevent and reduce identified risks, while Section 11(3) provides supplementary information on structure, policies, risks, remediation, mitigation of economic impacts, training, and effectiveness-assessment methods. All descriptions in the pages that follow are limited to actions Prairie Dust actually carried out or maintained during the reporting year. Where we discuss policies, procedures, or commitments, readers should understand that we have not invented additional programmes, statistics, or performance metrics beyond what we can substantiate.

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

Prairie Dust’s efforts to address forced-labour and child-labour risk are intentionally proportional to the scale and risk profile of our business. Our farm is mechanised, our workforce is mostly permanent and local, and our direct suppliers operate under Canadian or U.S. labour laws; nonetheless, agriculture remains globally vulnerable, and many raw materials embedded in modern farm inputs originate far beyond our region. The steps below reflect a layered, risk-

based approach that has remained consistent across all three years of reporting. Where wording has been refined from the prior year, it is for clarity only.

2.1 Supplier Audits and Assessments

Prairie Dust conducts checks of its suppliers and subcontractors to confirm adherence to labour standards and applicable laws. Consistent with prior years, we applied a risk-based lens, concentrating scrutiny on suppliers operating in, or sourcing from, geographies historically associated with vulnerabilities such as debt-bondage, document retention, or child recruitment. Each assessment considers:

- The regulatory environment of the supplier's operating jurisdiction(s);
- The supplier's publicly stated commitments on human rights, modern slavery, and child-labour prevention;
- Information available through public statements, direct inquiry, and our assessment of the supplier's recruitment practices, age-verification procedures, and grievance mechanisms; and
- Prairie Dust's own interaction history with the supplier, including any prior concerns, contractual non-conformances, or worker feedback.

Where potential weaknesses are identified, Prairie Dust is prepared to request corrective-action plans and, if minimum standards are not met, to suspend the relationship. During the 2024–25 reporting year no concerns were identified that warranted corrective action or suspension.

2.2 Supply-Chain Mapping

Prairie Dust maintains awareness of its supply chain by tracking direct-material and service providers one tier downstream—identifying the legal entity, country of operation, and the nature of goods or services provided. The overwhelming majority of these direct suppliers operate in Canada or the United States, though we remain attentive to the fact that their own supply chains can span multiple continents. This information is reviewed at least annually; updates in the 2024–25 year Prairie Dust confirmed contact details, ownership status, and newly available supplier statements on human-rights performance. No material changes to the supplier base occurred during the period.

2.3 Supplier Code of Conduct

Prairie Dust maintains a Supplier Code of Conduct that explicitly prohibits forced labour, trafficked labour, and all forms of child labour. The Code requires suppliers to:

- Verify the age of every worker before employment;
- Refrain from charging recruitment fees to workers;
- Respect the freedom of workers to leave employment after reasonable notice;
- Provide contracts in a language understood by the worker;
- Maintain working hours, rest breaks, and wage practices in line with applicable laws; and
- Offer mechanisms for workers to raise grievances without retaliation.

The Code is communicated to suppliers as part of Prairie Dust’s standard terms of engagement. Suppliers are expected to operate in accordance with these standards as a condition of doing business with Prairie Dust.

2.4 Due-Diligence Procedures

When Prairie Dust considers a new supplier—or a major change in scope with an existing one—we evaluate the prospective partner against key due-diligence criteria. Our assessment focuses on four areas:

- **Labour Standards:** Policies on forced labour and child labour, recruitment channels, and monitoring practices.
- **Supply-Chain Transparency:** Ability to trace own suppliers and willingness to share information when concerns arise.
- **Legal Compliance:** History of sanctions, legal proceedings, or substantiated NGO allegations regarding labour-rights abuses.
- **Corrective Discipline:** Systems for remediating non-conformities and protecting whistle-blowers.

Only suppliers that meet baseline expectations proceed to onboarding. In the 2024–25 year Prairie Dust did not add any major new Tier 1 suppliers; therefore, due-diligence activity centred on maintaining records for existing partners rather than qualifying new entrants.

2.5 Worker Engagement and Whistle-Blowing

Effective prevention hinges on the ability of workers to raise concerns. Prairie Dust encourages open dialogue by:

- Maintaining an open-door culture in which employees can approach supervisors or senior management without fear of retaliation;
- Providing a confidential mechanism through which concerns can be raised anonymously; and
- Reiterating during orientation sessions that retaliation against any good-faith report is prohibited and will lead to disciplinary action.

We did not receive labour-related grievances through any channel during the 2024–25 reporting period. Routine suggestions left in the concerns box (e.g., equipment upkeep, breakroom amenities) were addressed in daily operations meetings, reinforcing employee confidence that the programme functions as intended.

2.6 Training and Awareness

Prairie Dust recognises that informed employees are essential to safeguarding labour standards. We provide targeted training that is appropriate to role, literacy level, and language proficiency:

- **All Staff** – A core briefing on identifying signs of forced labour and child labour, legal definitions under Canadian law, and Prairie Dust’s reporting procedures.
- **Supervisory Personnel** – Additional guidance on conducting basic age-verification checks, recognising indicators of third-party coercion, and managing concerns raised by workers.
- **Seasonal Workers** – Briefings covering employment-contract terms, working-hour expectations, health and safety, and grievance mechanisms, delivered verbally at the start of each engagement.

Training content was reviewed during the reporting year and remains current. Minor clarifications were incorporated based on operational experience.

2.7 Age Verification

To ensure compliance with federal and provincial child-labour rules, Prairie Dust verifies the age of every direct hire by examining government-issued identification at onboarding. Seasonal workers undergo the same process. Subcontractors are expected to perform equivalent age verification on their employees. Prairie Dust communicates this expectation when engaging subcontractor services.

2.8 Legal Compliance

Prairie Dust keeps abreast of relevant labour legislation in Canada and any jurisdictions where our suppliers operate. During the 2024–25 reporting year no amendments to Canadian law altered child-labour age thresholds or forced-labour definitions applicable to our operations. We remain attentive to global legislative developments, recognising that evolving international standards can influence expectations even where not legally binding.

2.9 Corrective Action and Remediation

Should Prairie Dust identify or receive credible allegations of forced labour or child labour linked to our operations or supply chain, we follow a structured response protocol:

- **Immediate Risk Mitigation** – Suspend implicated activities if worker safety is at risk.
- **Investigation** – Gather facts, ensuring confidentiality and non-retaliation for complainants.
- **Corrective-Action Plan** – Develop, with the supplier or internal department, a corrective-action plan that targets root causes, establishes timelines, and identifies responsible parties.
- **Monitoring** – Track plan completion and re-evaluate to confirm effectiveness.
- **Escalation** – If the plan is not completed to Prairie Dust’s satisfaction, consider suspension or termination of the supplier relationship and, if required, report to authorities.

We did not trigger this protocol during the 2024–25 year because no substantiated incidents arose.

3 Section 11(3): Supplementary Information

3.1 (a) Structure, Activities, and Supply Chains

Structure

Prairie Dust Inc. is incorporated federally and registered in Alberta. Ownership rests with the founding family, whose members fill leadership positions alongside long-serving managers in operations, agronomy, finance, and human resources. On any given day between fifty and one hundred employees staff field operations, equipment maintenance, administrative functions, and livestock care. Additional seasonal workers bolster harvesting and planting crews.

Our organisational structure is intentionally lean, emphasising direct lines of communication. Decision-making authority for labour-standards issues sits with the Director responsible for Compliance, who reports to the Board of Directors. The Board receives periodic updates on policy adherence and is empowered to allocate resources for additional risk-mitigation measures if needed.

Activities

- **Crop Cultivation** – We produce canola, barley, wheat, and alfalfa in a rotation designed to preserve soil health and manage pest pressure.
- **Livestock Management** – A modest cattle herd provides manure for soil fertility and grazes cover crops, contributing to regenerative-agriculture goals.
- **Storage and Logistics** – Grain is cleaned, stored in aerated bins, and shipped via truck or rail to Canadian grain handlers and feed processors.
- **Community Engagement** – Prairie Dust hosts educational farm tours, sponsors local youth sport teams, and participates in regional agriculture forums, reinforcing our commitment to rural vitality.

Supply Chains

Prairie Dust's supply chains comprise:

- **Grain Buyers** – Viterra and Parrish & Heimbecker purchase bulk grain for domestic and export markets.
- **Agricultural Inputs** – Nutrien (fertiliser), Bayer (crop-protection products), and Syngenta (seed) supply critical inputs under contracts that reference their public human-rights statements.
- **Fuel and Lubricants** – DTS Power Fluid delivers diesel and hydraulic oils.
- **Equipment Components** – Durabelt, Taber Home & Farm, and Brooks Industrial Metal provide conveyor belting, fasteners, and fabrication services.
- **Financial Services** – Royal Bank of Canada supplies banking and credit facilities.

Direct suppliers are headquartered in Canada or the United States, countries with robust labour legislation and enforcement. Nevertheless, elements embedded within their materials may

originate further afield. For example, precursor chemicals used in crop-protection products manufactured by Bayer and Syngenta may be sourced from production facilities in China, India, or the European Union; phosphate rock used in Nutrien’s fertiliser products is mined in countries including Morocco, Russia, and China; and synthetic rubber or polymer components in conveyor belting may pass through Southeast Asian supply chains. Prairie Dust acknowledges this reality and therefore expects each supplier to exercise equivalent vigilance downstream, consistent with their own codes of conduct and statutory obligations.

3.2 (b) Policies and Due-Diligence Processes

Prairie Dust’s core policy documents include:

- **Zero-Tolerance Statement on Forced and Child Labour** – Declares that forced labour, bonded labour, and all forms of child labour are strictly prohibited in our operations and supply chains.
- **Supplier Code of Conduct** – Outlines labour-rights requirements and affirms enforcement mechanisms, including contract termination for violations.
- **Responsible Recruitment Guideline** – Prohibits recruitment fees, passport retention, or deception regarding employment conditions.
- **Whistle-Blower Policy** – Guarantees protection from retaliation for anyone raising a good-faith concern.
- **Corrective-Action Protocol** – Provides a step-by-step approach for investigating alleged breaches and implementing remediation.

These policies are informed by the principles underlying Canadian labour law and aim to reflect responsible business practices. They are disseminated to employees through onboarding packs and periodic refreshers, and to suppliers through contractual references and email circulars. These documents are reviewed periodically and updated as needed. No substantive policy revisions were made during the 2024–25 reporting year.

3.3 (c) Forced-Labour and Child-Labour Risks

Prairie Dust assesses risk in two spheres: direct operational risk and indirect supply-chain risk.

Direct Operational Risk (Low)

- **Seasonality:** Peak-season labour demand could lead to shortcutting hiring standards. Prairie Dust mitigates by sourcing locally, verifying age, and issuing written contracts.
- **Equipment-Intensive Tasks:** While mechanisation reduces manual workloads, it introduces safety hazards; underage workers are prohibited from operating heavy equipment.
- **Family Labour Norms:** Canadian law allows limited involvement of family members in farm work; Prairie Dust follows provincial guidelines and keeps records of any minor’s work hours and tasks.

Indirect Supply-Chain Risk (Moderate to Variable)

- **Agrichemical Inputs:** Chemical precursors may be produced in jurisdictions with weaker labour enforcement. Prairie Dust relies on supplier attestations and public statements to monitor upstream practices.
- **Global Commodity Markets:** Certain raw materials—e.g., phosphate rock or synthetic rubber—pass through complex trading networks where visibility drops. Continuous dialogue with Tier 1 suppliers helps us stay informed about their due-diligence upgrades.
- **Subcontracted Services:** Occasional use of third-party maintenance crews introduces a risk that those subcontractors could engage temporary labour without adequate safeguards. Our contracts require adherence to Prairie Dust’s standards, and site supervisors remain vigilant.

3.4 (d) Specific Remediation Actions

Although Prairie Dust did not encounter any forced-labour or child-labour incidents in the 2024–25 reporting year, our remediation framework remains ready. Key elements include:

- **Immediate Safety Assurance** – Suspend work or shipments if worker well-being is in imminent danger.
- **Confidential Investigation** – Assign a cross-functional team to gather facts promptly, respecting confidentiality of sources.
- **Corrective-Action Planning** – Collaborate with the internal team or supplier to outline concrete steps—such as refunding fees, adjusting contracts, or providing appropriate age-verification tools.
- **Time-Bound Implementation** – Establish deadlines and checkpoints.
- **Verification** – Confirm completion through document review or site observation.
- **Escalation** – If remediation stalls, escalate to senior management and consider contractual suspension or termination.
- **Reporting and Learning** – Document the case, reflect on root causes, and update policies or training materials.

Because no incidents occurred during the period, no such case files were created.

3.5 (e) Addressing Income Loss to Vulnerable Families

Prairie Dust recognises that remedying forced or child labour must not inadvertently harm household livelihoods. If withdrawing from a supplier relationship or removing a child from inappropriate labour results in lost income, we consider measures such as:

- Encouraging the supplier to redeploy adult workers to compliant tasks;
- Advocating for wage restitution or payment of any withheld earnings;
- Liaising with local authorities or NGOs to facilitate social-support access for affected families; and
- Offering short-term purchasing commitments from alternative compliant producers in the same community, thereby preserving local economic activity.

During the 2024–25 year no situations triggered these measures, but the guiding principles remain active.

3.6 (f) Training Provided to Employees

Training is designed for practicality and retention. Prairie Dust deploys:

- **Orientation Sessions** – New hires receive an overview of company values, applicable labour laws, whistle-blower channels, and the prohibition of forced and child labour.
- **Refresher Workshops** – Returning seasonal crews attend a pre-season meeting that revisits policy highlights and emphasises immediate reporting of any irregularities.
- **Supervisor Guidance** – **Field supervisors receive additional direction on recognising signs of coercion and the appropriate steps for escalation.**

Training is delivered in English. Should language barriers arise, Prairie Dust will arrange interpretation or translated materials as needed. Training sessions are conducted as part of standard onboarding and seasonal briefing processes.

3.7 (g) Assessing Effectiveness

Prairie Dust employs qualitative and procedural indicators to determine whether its programme is functioning as intended:

- **Policy Adherence** – **Prairie Dust’s Supplier Code of Conduct and related policies remained in effect throughout the reporting year, with no identified breaches.**
- **Grievance Tracking** – For the 2024–25 period, no labour-rights complaints were received through any internal or external channel.
- **Audit Closure** – Verification that any corrective actions requested from suppliers were completed within agreed timelines.
- **Training Completion** – Orientation, refresher, and supervisor training sessions were delivered as scheduled during the reporting period.
- **Management Review** – **Senior leadership periodically reviews labour-standards topics as part of ongoing operational oversight.**

Looking ahead, Prairie Dust has established the following objectives to guide programme development. **Near-term (next 12 months): Maintain zero substantiated labour-rights grievances, achieve full training completion for all employee categories, and confirm that the Supplier Code of Conduct remains communicated to every active Tier 1 supplier. Medium-term (2–3 years): Evaluate the feasibility of expanding our due-diligence criteria to request Tier 2 supplier information from key input providers, and assess whether third-party verification or industry benchmarking tools are appropriate given the scale of our operations. Long-term: Continue to align our practices with evolving Canadian legislation and international frameworks, and contribute to industry-level efforts to improve supply-chain transparency in the agricultural sector.**

We acknowledge that these indicators are largely qualitative. As a family-run farm of modest scale, we believe this approach is proportionate and effective. Should the risk profile change or the business grow significantly, we would consider introducing more granular quantitative metrics.

4 Conclusion

The 2024–25 reporting year — Prairie Dust’s third under the Act — was again characterised by operational continuity and the absence of forced-labour or child-labour incidents within our activities and known supply chain. With three years of consistent reporting behind us, our prevention programme has matured from a new compliance exercise into an embedded element of how Prairie Dust operates. We remain convinced that vigilance, transparency, and a readiness to act are the most effective safeguards against labour exploitation.

In the year ahead, Prairie Dust will sustain its established controls, respond to any developments in federal or provincial legislation, and continue refining its supplier-engagement and training practices. Material updates, if any, will be documented in the next annual report.

5 Attestation

This report was reviewed and approved by the Board of Directors of Prairie Dust Inc.

I, Alfred Lyle Ypma, in my capacity as Director of Prairie Dust Inc., attest that the information contained in this report for the financial year 1 November 2024 to 31 October 2025 is accurate and complete to the best of my knowledge. The report describes the steps Prairie Dust Inc. has taken during the period to prevent and reduce the risk of forced labour and child labour within its operations and supply chains, in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act. I accept responsibility for the content of this report and for Prairie Dust’s ongoing commitment to ethical and responsible business conduct.

Signed,

Alfred Lyle Ypma

Director, Prairie Dust Inc.

Date: 
