

MARCH 2025 FISCAL REPORT

Fighting Against Forced Labour and Child Labour in Supply Chains

British Columbia Ferry Services Inc.



A French version of this Report may be requested from
British Columbia Ferry Services Inc. by emailing us at procurement@bcferries.com





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In compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”), this report outlines the measures taken by British Columbia Ferry Services Inc. (“BC Ferries”, the “Company” or “we”) to prevent and mitigate the risk of forced or child labour within our supply chain. This report covers actions taken during the fiscal year ending March 31, 2025.

Company Overview

BC Ferries operates as an independent, regulated, and self-financing entity, providing passenger and vehicle ferry services across coastal British Columbia. The Coastal Ferry Act has restructured BC Ferries into a customer-centric and financially robust marine transportation system.

BC Ferries delivers coastal ferry services under the Coastal Ferry Services Contract, covering 25 routes with a fleet of 38 vessels, 47 terminals, and over 4,500 employees. Our mission is to connect communities and customers to the people and places that matter most in their lives.

Mandatory Reporting Topics

BC Ferries is committed to responsible procurement and the company puts a high degree of emphasis on social, environmental and ethical decision making in its supply chain processes. This report details the steps BC Ferries has taken to prevent and reduce forced and child labour in our supply chains, as required by the Act. The mandatory reporting topics and our responses are outlined below.

Structure, Activities

BC Ferries operates under the Coastal Ferry Act and the Coastal Ferry Services Contract (“CFSC”) with the Province of British Columbia. The B.C. Ferry Authority holds the sole voting common share of BC Ferries.

The CFSC, a 60-year contract starting April 1, 2003, specifies the number of round trips required for each regulated ferry route in exchange for ferry transportation fees. The CFSC and its amendments are available on our website.

Supply Chains

BC Ferries is dedicated to ensuring responsible procurement by incorporating social, environmental, and ethical factors into its supply chain practices and setting high expectations for its suppliers. The company acquires all necessary materials and equipment, relying on both internal staff and external suppliers to provide essential services for business operations.

Approximately 60% of BC Ferries supply chain expenditures are allocated to services, the

majority of which are provided within Canada. The Supply Chain team oversees diverse procurement projects, including vessel renewals, terminal upgrades, IT transformations, and operational initiatives such as maintenance and business planning. These projects involve acquiring goods and services and providing a logistics function so that BC ferries can keep coastal communities connected. The remaining approximately 40% of spending goes toward materials and equipment, often specialized products that require expert manufacturing to support in-service vessels, vessels undergoing refit, and consumable items for passenger consumption. Most of these materials and equipment are sourced from or delivered to BC Ferries in Canada, with about 95% of contracting dollars spent on suppliers in this region, and 5% going to suppliers outside of North America.

In terms of the risk of forced or child labor in its direct supply chain, BC Ferries assesses this risk as minimal for two main reasons: most of the goods and services it purchases require skilled labour, and these purchases are primarily made in

countries with robust regulatory frameworks that reduce the likelihood of forced or child labor. However, potential risks could arise in certain product categories sourced from higher-risk regions through third-party distributors, including IT equipment, safety clothing, maintenance supplies (e.g., gloves, consumables), and one-off products sourced from these regions.

Policies and Due Diligence Processes

In our ongoing commitment to human rights and the eradication of forced and child labor within our supply chains, we have reviewed our policies and procedures. We have also implemented the following proactive measures to mitigate risks in our supply chain:

- **Supplier Code of Conduct:** BC Ferries expects all suppliers to abide by the supplier code of conduct and this code sets clear expectations for suppliers and their subcontractors, emphasizing respect for workers' rights and compliance with labour and human rights laws.
- **Spend Analysis:** We reviewed all third-party spend over the past 12 months, comparing goods and services procured against lists of goods potentially produced by child or forced labour. This analysis, combined with data from the Walkers Free Global Slavery Index, helped assess the risk of forced or child labour in our supply chain, which was determined to be low.
- **Contract Templates:** Our updated supply and services contract templates require vendors to comply with all relevant anti-slavery and human trafficking laws, including the Act. Vendors must monitor their supply chains and demonstrate compliance with these laws if requested by BC Ferries.

We have enhanced our understanding and awareness of the risks associated with forced and child labor. By collaborating with peer agencies, subsidiaries, key suppliers, and members of the sustainable procurement community, we have exchanged valuable information and discussed best practices. Our efforts are concentrated on raising awareness throughout BC Ferries

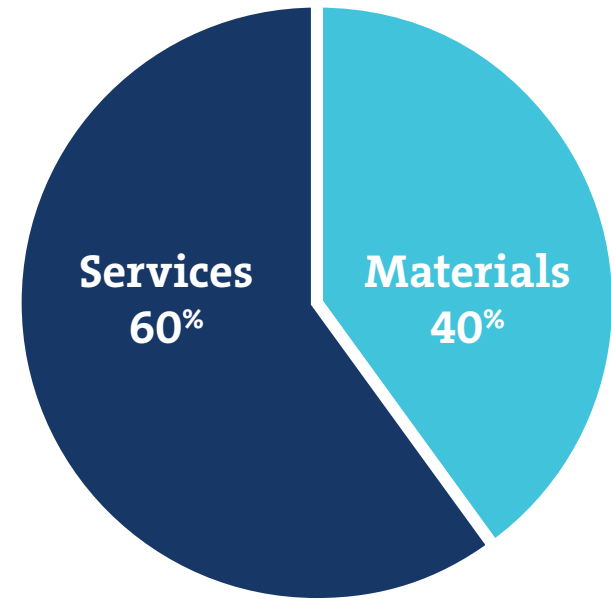
and within our supplier community about our approach to identifying and managing these risks.

Risk Assessment and Management

A risk assessment has been conducted on BC Ferries industry of operation, the goods and services procured, and the countries from which these goods and services are sourced. This assessment focuses on 3rd party spend, defined as those suppliers that account for the top 90% of procurement spend. The analysis revealed that:

- 60% of our third-party spend is on services, and 40% is on goods.
- 95% of our goods are supplied by Canadian companies, with smaller percentages from Germany, the USA, and other countries.

3rd Party Spend Material vs. Services



The [U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor](#) is a report created by the Bureau of International Labor Affairs (ILAB) under the Trafficking Victims Protection Reauthorization Act. The list highlights goods and their countries of origin that are suspected to be produced using child labor, forced labor, or both.

Summary

BC Ferries is committed to upholding human rights and combating forced and child labor in its supply chains. Recognizing the complexity of global supply networks, we acknowledge that addressing these issues is an ongoing challenge. In fiscal 2024, we focused on understanding and managing these risks through enhanced due diligence, strengthened policies, updated contracts, and engagement with suppliers in high-risk areas. We also prioritized raising awareness among stakeholders and procurement staff.

While no instances of forced or child labor have been identified, BC Ferries remains committed to maintaining the highest ethical standards across its operations and those of its suppliers. We have implemented measures to prevent, identify, and address such issues, including providing labor law training to procurement staff. Suppliers are required to demonstrate their due diligence through policies, processes, and evidence of compliance with risk assessments, audits, and employee training. This information allows BC Ferries to make informed sourcing decisions and enhance efforts to reduce the risk of forced and child labor in our supply chains.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above. I have the authority to bind British Columbia Ferry Services Inc.



Joy MacPhail

Chair, British Columbia Ferry Services Inc.
Board of Directors