

Fiscal Year 2020 – 2021

Performance & Sustainability Report





The *Spirit of British Columbia* arriving at Victoria (Swartz Bay). In 2018 and 2019, the *Spirit of British Columbia* and *Spirit of Vancouver Island* underwent fuel conversions that enable them to operate using liquefied natural gas (LNG) resulting in lower CO₂ emissions.



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Leadership Messages



Passengers travelling to the Sunshine Coast enjoy the outer deck.

Message from the Chair of the BC Ferry Services Board



The past year presented the province, the country, and indeed the world, with a long list of challenges, and BC Ferries has not been immune. Since the onset of the COVID-19 pandemic, we have experienced unfathomable change – no corner of our business operations or daily lives have been untouched. I want to start by thanking every member of the BC Ferries’ community for ensuring the ferry system weathered this difficult time. While we are not yet on the other side of this global health crisis, our team has been consistent in its service to British Columbians.

Throughout the pandemic, BC Ferries has delivered safe, affordable, and reliable lifeline ferry service to coastal communities, operating in our customers’ and the public interest. We have succeeded in part because of our important relationships with our partners. Through close consultation, we have met the unique and distinct needs of coastal and Indigenous communities in British Columbia during this time of crisis. We are grateful for financial support from the provincial and federal governments through the Safe Restart Funding Agreement.

With any time of great challenge comes opportunity. The company of the future must build on its strengths. BC Ferries is one of the largest ferry systems in the world, with an enviable record of efficiency, effectiveness, and sustainability – with a focus on serving the public interest. BC Ferries will maintain this record by embarking on a major capital program, modernizing systems, and continuing to focus on customers – both individuals and communities – all with safety at the forefront.

Transportation is one of the largest industries in B.C., and BC Ferries plays a critical role in moving goods and people. As we prepare for the next stage of BC Ferries’ growth, we do so acknowledging that an exciting and challenging time lies ahead.

A handwritten signature in black ink, appearing to read 'B. Eaton', written in a cursive style.

Brenda J. Eaton
Chair of the Board of Directors
British Columbia Ferry Services Inc.

Message from the CEO



In this year of challenge and change, I start by expressing my sincere appreciation to the entire staff of BC Ferries for their courageous work. Our team has faced the COVID-19 pandemic with bravery and determination, knowing the importance of their work to keep essential goods, services, and people moving to coastal communities.

Throughout the past year, BC Ferries has provided critical ferry service safely and effectively. We provided service at or above levels specified in the Coastal Ferry Services Contract, maintained on-time performance, reliability, and capacity. Our ability to do this was greatly buoyed by revenue replacement funding from the Province of British Columbia and the Government of Canada. We thank them for that support on behalf of the communities we serve.

While navigating the uncertainty of the pandemic, we have not lost sight of the other pressing issues facing coastal transportation in British Columbia. Capacity issues will return post pandemic and we maintained prudent capital investment this year in new ships, with five under construction. They will all enter service in 2022 and serve smaller communities on the coast. We continued to improve the digital online experience we provide to travellers with our new reservation system and website.

Ferry service cannot be delivered without dedicated employees, so we worked to improve our training and recruitment efforts, despite pandemic pressures. With many nationalities already represented, we seek to make BC Ferries an even more welcoming workplace. Diversity, inclusion, equity, and sincere relationships with Indigenous communities are all part of our efforts. We are making progress and were gratified to be recognized, for the fifth year in a row, as one of B.C.'s top employers. Yet, there is more to be done.

We are also addressing the other important issue of our time – climate change. This year our hybrid battery electric vessels demonstrated the benefits of electrifying the coastal ferry fleet, and we continued to invest in our new, innovative Island Class vessels. We are working with Federal and Provincial governments to provide emission-free ferry service to four routes and six ships in the future. Combined with our leading investments in LNG propulsion, BC Ferries aims to reduce our carbon footprint in support of CleanBC and federal climate goals.

The pandemic has affected many of our plans. In the near term, we will focus on core operations and reversing the financial impacts of the health crisis. This will allow us to restore deferred capital investments that are critical to long-term reliable service to coastal communities. We plan to integrate modern clean technology to meet the needs of ferry users in a manner that supports the restart of B.C.'s economy and benefits coastal life in British Columbia.

A handwritten signature in blue ink, appearing to read 'Mark Collins', written in a cursive style.

Mark F. Collins
President & Chief Executive Officer
British Columbia Ferry Services Inc.

About BC Ferries

For over 60 years, BC Ferries has been providing safe and efficient travel throughout the west coast of British Columbia. BC Ferries began operations in 1960 with two vessels on a single route. Today, we are an independent company operating one of the largest and most complex ferry systems in the world. BC Ferries is charged with the long-term environmental, social, and financial sustainability of British Columbia's coastal ferry service. Collectively we steward the health of:



25 ferry routes



**47 terminals spread
over 1,600 kilometres
of coastline**



**35 vessels
173,870 sailings annually
(about 475 every day)**



**13 million travellers
and 6.7 million vehicles
last year**



**\$7.5 billion of
commercial goods
every year**



4,646 employees

Our Leadership Team

Our Executive Team operates openly and transparently and are accessible to the customers and communities we serve. Each is experienced in ferry service delivery and understands the important role of ferry service in people's lives and the economic well-being of British Columbia.

A cleaner and more sustainable future: The *Salish Eagle* fuelled by liquefied natural gas and the *Island Discovery*, the first of six diesel-electric battery hybrid Island Class ferries to join our fleet.

Executive Team

Mark Collins

President &
Chief Executive Officer

Janet Carson

Vice President, Marketing
& Customer Experience

Jill Sharland

Vice President, Finance
& Chief Financial Officer

Brian Anderson

Vice President, Strategy &
Community Engagement

Captain Jamie Marshall

Vice President,
Shipbuilding & Innovation

Corrine Storey

Vice President &
Chief Operating Officer

Jason Barabash

Vice President, General
Counsel & Corporate Secretary

Erwin Martinez

Vice President &
Chief Information Officer

Vacant

Vice President,
People

Our Board of Directors

The directors are stewards of BC Ferries and guide the strategic direction of the company.

The Board exercises its stewardship responsibilities by overseeing the conduct of the business, supervising management, and endeavouring to ensure that all major issues affecting the business and affairs of the company are given proper consideration.

Chair

John A. Horning¹

Members

Bruce A. Chan

Eric A. Denhoff (effective August 14, 2020)

Brenda J. Eaton²

Jan K. Grude (vice chair)

Gordon M. Kukec

Shona A. Moore (effective August 14, 2020)

Sarah A. Morgan-Silvester, O.B.C.

Janine M. North (effective June 23, 2020)

David R. Podmore, O.B.C.

Michael W. Pucci (effective August 14, 2020)

Judith F. Sayers

¹ On March 31, 2021, having served a maximum of eight consecutive years, John A. Horning retired from the board.

² Effective April 1, 2021, Brenda J. Eaton was elected Chair of the board.

Our Vision, Mission, Values, Goals

We are more than a marine transportation company — it is our vision to be trusted and valued to deliver our mission of connecting communities and customers to the people and places important in their lives.

We do this by focusing our core operations on delivering safe, reliable, efficient, and affordable service at contracted levels.

Our Vision

Trusted, Valued

Our Mission

We connect communities and customers to the people and places important in their lives.

Our Values

Safe

Safety is our highest value.

Caring

We operate from a position of kindness and empathy for those who travel and work with us.

Honest

We conduct business with integrity, honesty and accountability.

Collaborative

We collaborate with others to enhance the customer experience.

Respectful

Respect is paramount in our interactions with others.

Sustainable

Our environmental, social and economic impacts are central to business decisions.



By 2022, six diesel-electric battery hybrid Island Class ferries will be in service. Our new Island Class vessels are a major step forward in our transition to a lower carbon future.

Our Goals: What we Believe

Our strategic goals set the direction for all activities at BC Ferries.



The *Skeena Queen* connecting customers between Victoria (Swartz Bay) and Salt Spring Island (Fulford Harbour).



Goal 1 Customer and Community Centred

We place our customers, coastal and Indigenous communities at the centre of everything we do. We provide a safe, reliable, and affordable travel experience in the public interest. We give back to coastal communities where we live and work.

We continue to build a customer-focused culture across all levels of the organization. We work collaboratively with coastal and Indigenous communities through our outreach activities and ensure they have input into the decisions that impact them most. We make investments to ensure a satisfying and consistent customer experience.



Goal 2 Focused on Core Operations

Safe, reliable, efficient services delivered responsibly at the contracted levels are the cornerstones of the public interest. We ensure the vital flow of workers, goods and services.

We are focused on the changing needs and realities of those who travel with us. We continue to explore efficiency-enhancing processes and technologies, train employees, and deliver a consistently safe customer experience.



Goal 3 Supporting our Employees

We create a diverse culture and inclusive workplace where people want to work and remain throughout their careers in productive, competitive, high-skilled employment. We hire locally where we can and invest in developing and supporting the people who make our company a global leader in marine transportation.



Goal 4 A Leader in the Transition to a More Sustainable Future

Our relationship with the natural environment is important. We are one of the most sustainable large-scale ferry operators in the world. We employ our resources, services, and relationships in recognition of our responsibility to continuously reduce our impact on the natural environment.



Goal 5 Manage our Company Well

We continue to expend significant effort to lower costs. We manage financial sustainability and prudent asset management in the public interest. We use our knowledge and technology to enhance employee learning, customer experience, asset investment and management.

BC Ferries' Capital Plan emphasizes system capacity, operational efficiency, resiliency, and flexibility. Our Customer Experience, Information Technology, Fleet and Terminal Network Master Plans guide our long-range capital investments to deliver financial sustainability and fare affordability.

Introduction

BC Ferries safely and reliably connects and supports communities, brings families together, meets passengers' needs, engages with Indigenous peoples, moves essential goods, supports agriculture and tourism, and builds and strengthens the provincial economy.

This **Performance and Sustainability Report** summarizes our achievements over the fiscal year 2021, along with our Environmental, Social and Governance (ESG) progress within British Columbia's coastal ferry system. In this document, we discuss financial results, as well as environmental initiatives, community and customer engagement, diversity and inclusion activities and risk management. Ongoing sustainability reporting, such as this report, enables BC Ferries to be transparent about how we are performing and how we seek to continually improve.

Fiscal 2021 saw the impact of COVID-19 for the full 12 months of ferry operations. This made it one of the most challenging years in our 60-year history. Passenger volume fell by 40 per cent over the previous year, while vehicle traffic fell by 24 per cent. We turned our attention to the core of our business – delivering

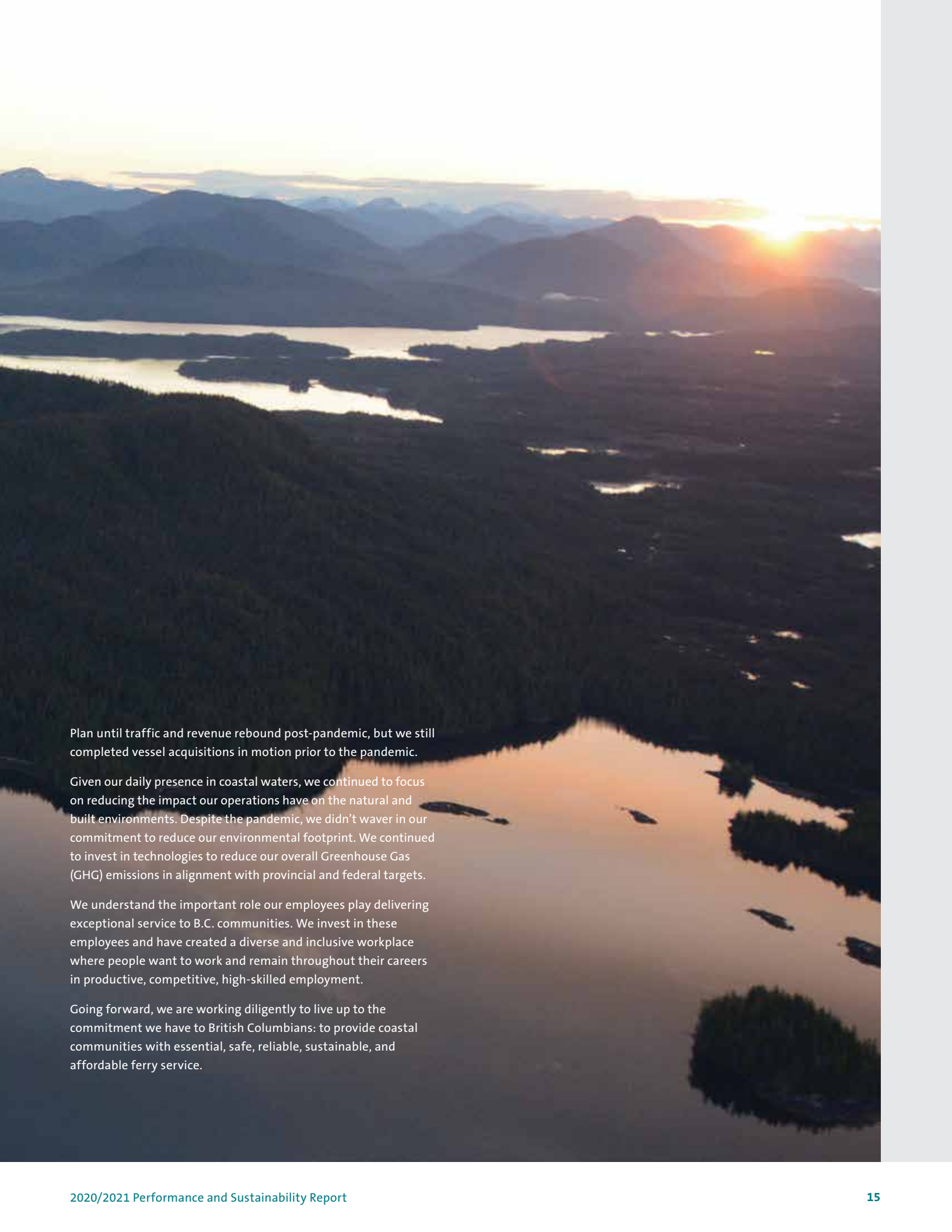
essential goods to coastal communities and providing ferry service for those travelling for essential purposes.

We looked for efficiencies and opportunities to add value to our services to keep fares affordable. We launched a new website, and with it, new fare choices that address fare affordability, choice, and travel certainty. We continued to pursue sustainability initiatives to address the pressing issue of climate change. In response to COVID-19, we doubled down on safety as a core value, making every decision with the safety of our employees, our customers, and the communities we serve top of mind.

The COVID-19 pandemic highlighted the interconnectedness of business and society, and we continued to ensure our stakeholders had a voice in decisions affecting them most.

While this report looks back over the last fiscal year and briefly presents what comes next, it parallels our 10-year Capital Plan, which emphasizes system capacity, operational efficiency, resiliency, and flexibility. We postponed some activities in that

The Northern Sea Wolf servicing BC's central coast.



Plan until traffic and revenue rebound post-pandemic, but we still completed vessel acquisitions in motion prior to the pandemic.

Given our daily presence in coastal waters, we continued to focus on reducing the impact our operations have on the natural and built environments. Despite the pandemic, we didn't waver in our commitment to reduce our environmental footprint. We continued to invest in technologies to reduce our overall Greenhouse Gas (GHG) emissions in alignment with provincial and federal targets.

We understand the important role our employees play delivering exceptional service to B.C. communities. We invest in these employees and have created a diverse and inclusive workplace where people want to work and remain throughout their careers in productive, competitive, high-skilled employment.

Going forward, we are working diligently to live up to the commitment we have to British Columbians: to provide coastal communities with essential, safe, reliable, sustainable, and affordable ferry service.

BC Ferries' Response to COVID-19

Over the past year, BC Ferries provided a safe and healthy travel experience for our passengers and employees. We are proud of our pandemic response.

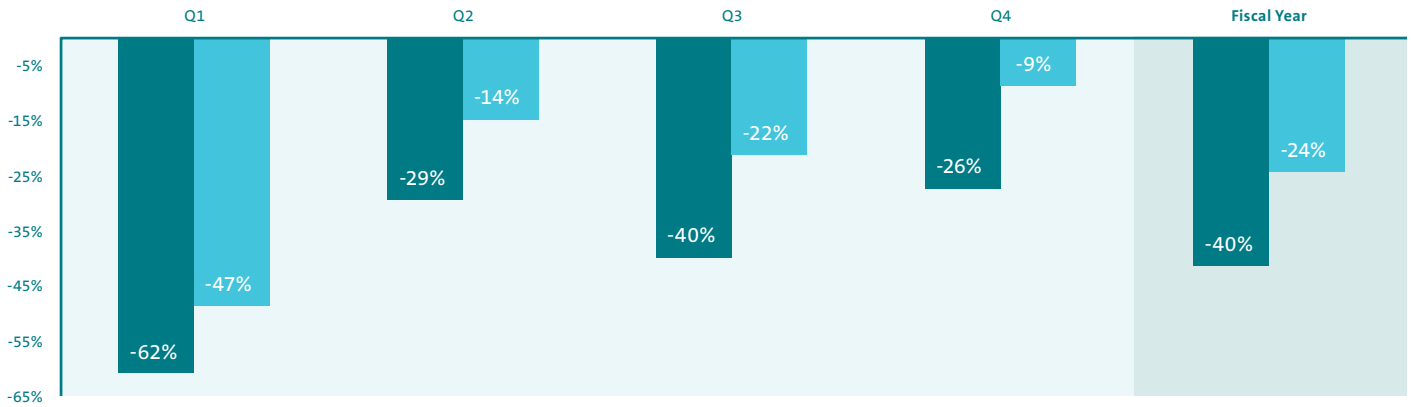
As a result of the pandemic, passenger volume declined 40 per cent while vehicle traffic declined 24 per cent compared to the prior year.



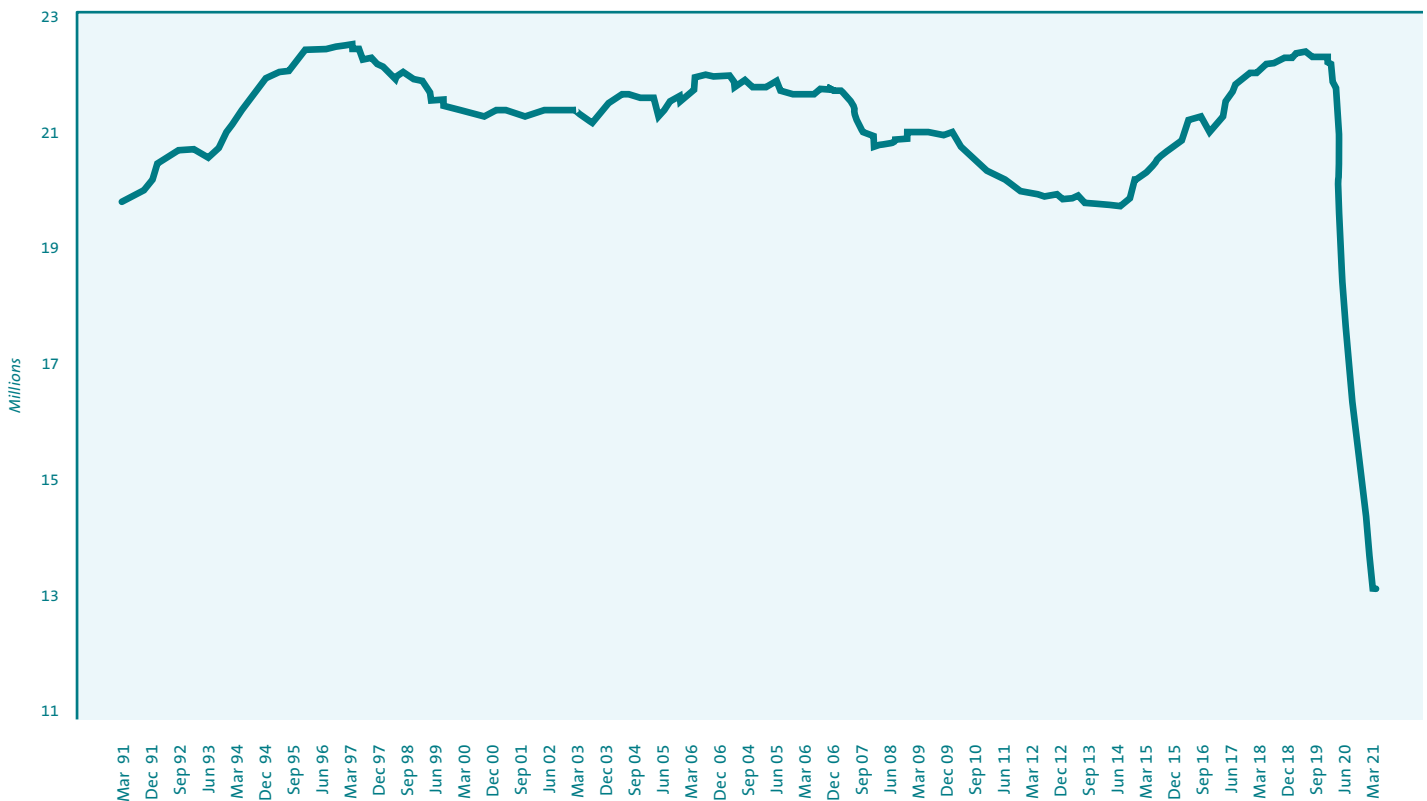
Keeping BC's coast safe and moving throughout the pandemic.

Fiscal 2021 over Fiscal 2020 Traffic Declines

● Passenger ● Vehicles



12 Month Rolling Passenger Volumes (Since Fiscal 1991)



Safe Restart Funding

In December 2020, BC Ferries received \$308 million in federal/provincial funding to ensure essential services were maintained across the province and that fares remained affordable. We are grateful to

have received this contribution in recognition of the essential nature of the coastal ferry system. We thank both levels of government for their collaboration during the pandemic.



Year in Review Summary



13 million passengers
down from 21.6 million
the year prior to COVID-19

On-time performance

Percentage of sailings
departing within 10 minutes
of scheduled departure times



6.7 million vehicles carried
down from 8.8 million
the year prior to COVID-19



Fleet reliability

Percentage of sailings
that sailed without
incident

79,454 round trips
vs. 82,288.5
round trips last year



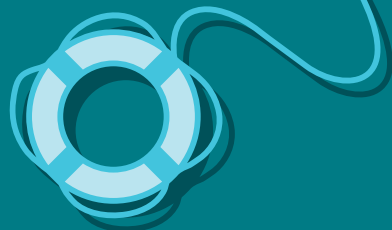
**55.6% capacity utilization
system wide**
down from 64.1%
the year prior

\$91 million
in commercial trailer
transportation revenue



Did you know?

BC Ferries' Sign Shop is our dedicated facility to produce and manufacture decals, signs, and other custom pieces. We developed thousands of new signs and floor decals to communicate changes to our customers' travel experience in response to COVID-19.



Responding to the Pandemic: BC Ferries' Emergency Operations Centre (EOC)

EOC Mission

Maintain the flow of essential goods and services to coastal communities

EOC Philosophy

Promote rapid problem solving and execution, enabled by a simpler approval chain and authority delegated to the appropriate level

EOC Priority

Health and safety of employees, customers, and the communities we serve

We implemented measures to keep our employees and the travelling public healthy and safe:

- Developed rigorous COVID-19 cleaning and sanitization plans for vessels and terminals
- Installed plexiglass partitions to reduce the risk of employee-customer transmission
- Developed maximum occupancy standards for employee break and work areas
- Adjusted terminal and vessel seating plans to support physical distancing
- Suspended and, when safe to do so, re-implemented baggage service
- Developed protocols for customers requiring quarantine while travelling
- Supported the safe transit of North Coast live-aboard crews to and from Prince Rupert
- Developed response plans in the event an employee tests positive for COVID-19

Telecommuting proved to be a successful response for many BC Ferries employees:

- Supported **500+ administrative employees** primarily working from home for the year
- Moved our Customer Care team of **70+ people** to work from home within two weeks, procured required equipment and ensured adequate connections
- Reopened BC Ferries Vacations™ Centre in June with COVID-19 protocols in place. Provided all agents with the option to work from home as necessary.

We supported coastal communities:

- The *Nimkish* delivered **two ventilators** to McLoughlin Bay for the Bella Bella Hospital
- Donated more than **3,000 pounds of perishable food** from vessels and terminals to various food banks in communities we serve
- Arranged logistics to transport **440+ boxes of food** to Bella Bella and **1,830+ boxes** to Klemtu from Port Hardy, at no cost to residents
- Supported the Royal Canadian Mounted Police in conducting **wellness checks for passengers** travelling to mid-coast terminals
- Participated in “hearts in windows” at ticket booths and terminal building in **support of essential workers and first responders**
- Liaised with Canada Post contractor to develop procedures for mid-coast mail delivery, averaging four mail carts per sailing





Our Commitment to Sustainability

The Baynes Sound Connector is the world's longest salt water cable ferry.



1. Operating Safely, Reliably and Efficiently

Safety is our highest value. Our safety-focused practices helped us adapt to the many changing COVID-19 health regulations.

Performance Against Strategic Targets Fiscal 2021

Results for fiscals 2016 through 2020, the target and actual results for fiscal 2021 and the target for fiscal 2022.¹

		Fiscal 2016 Results	Fiscal 2017 Results	Fiscal 2018 Results	Fiscal 2019 Results	Fiscal 2020 Results	Fiscal 2021 Results	Fiscal 2021 Targets	Fiscal 2022 Targets
Operational Targets									
Employee Safety Index (frequency x severity) / 1,000	TARGET	0.55	0.44	0.39	0.39	0.41	0.52	0.62	0.60
	RESULT	0.48	0.43	0.46	0.64	0.74			
Passenger Safety Index # passenger injury incidents / 1,000,000 passengers	TARGET	11.90	11.26	10.68	9.59	9.59	3.07	6.95	6.90
	RESULT	11.24	9.62	10.01	9.80	4.30			
Reliability Index scheduled # of round trips less controllable cancellations / scheduled # of round trips	TARGET	99.55- 99.74%	99.55- 99.74%	99.55- 99.74%	99.55- 99.74%	99.55- 99.74%	99.69%	99.55- 99.74%	99.55- 99.74%
	RESULT	99.72%	99.69%	99.83%	99.73%	99.84%			
On-time Performance departures within 10 minutes of scheduled departure time	TARGET	91.0%	91.0%	91.0%	91.0%	91.0%	89.1%	88.0%	88.0%
	RESULT	90.3%	88.9%	88.4%	87.8%	88.8%			
Customer Satisfaction	TARGET	4.11	4.14	4.20	4.20	4.22	3.97	4.12	4.05
	RESULT	4.14	4.18	4.16	4.22	4.09			
Financial Targets net of regulatory adjustments									
EBITDA including subsidiaries (\$ millions)	TARGET	239.36	272.50	290.50	295.80	276.80	267.5	269.9	259.2
	RESULT	268.5	294.6	273.8	285.2	264.1			
Net Earnings (\$ millions)	TARGET	32.00	59.50	70.60	63.60	34.90	21.6	26.1	24.4
	RESULT	64.8	87.9	55.3	56.9	22.2			

Employee Safety – Employee injury frequency rate times severity rate divided by 1,000 passengers.

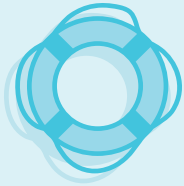
Customer Safety – Number of passenger injuries per one million passengers.

Reliability Index – Actual round trips divided by scheduled round trips, less weather, medical or rescue related cancellations.

Customer Satisfaction – Rating on a scale of 1 to 5, based on three surveys performed during the year.

EBITDA – Net earnings adjusted for the impact of regulatory assets and liabilities and before interest, taxes, depreciation and amortization.

Regulatory Net Earnings – Net earnings adjusted for the impact of regulatory assets and liabilities.



Marine and Medical Emergencies



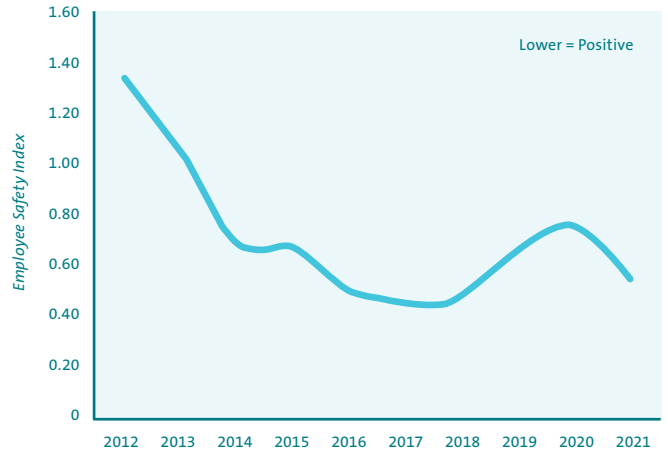
Responded to
16 non-BC Ferries marine rescues and
95 medical emergencies



Delayed or added a sailing
134 times to accommodate
ambulance transportation

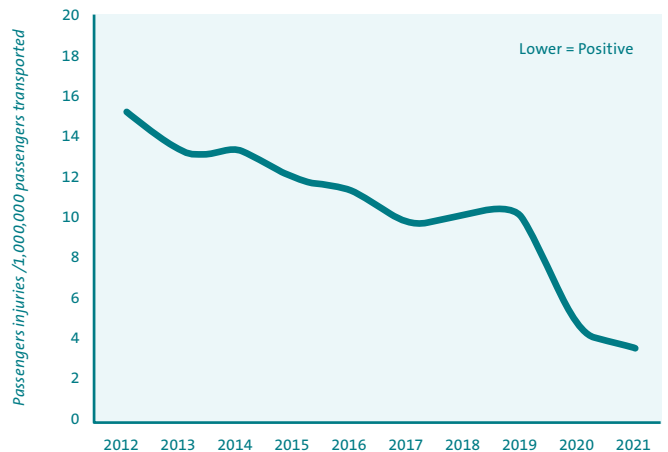
Employee time loss injuries were down 33 per cent from the year prior or 3.5 time-loss injuries per 1,000 full-time equivalents. Passenger injuries were down 57 per cent to three injuries per one million passengers.

Employee Safety Index



Passenger Safety Index

Number of injuries per one million passengers



In the rare event of an emergency, all crew members are trained and certified by Transport Canada Marine Safety to effectively deal with emergency situations.

Safety and Health

We demonstrated our commitment to a safe and healthy work environment for our employees by:

- Maintaining safety committees for all vessels and terminals
- Reducing time-loss injuries year over year with our SailSafe program



The Operations and Security Centre.

- Operating a 24-hour Operations and Security Centre to monitor day-to-day operations and provide a coordinated response during incidents
- Implementing initiatives to counter intentional attacks and maintaining regular contact with government security agencies to ensure we have the latest information
- Requiring operational employees to hold competency certificates in areas such as vessel safety, rescue equipment, firefighting and first aid
- Training our employees in how to respond to emergencies through frequent exercises and drills
- Providing personal protective equipment and training in its proper use
- Recording and monitoring incidents and taking corrective actions to eliminate risks
- Providing employees with a risk-based reporting tool that facilitates change in specific tasks or processes to reduce risk
- Upgrading our safety management system to provide auditing, reporting, investigating, and tracking of policies, procedures, and incidents
- Providing employees with funding to support their long-term health and wellness

- Offering employees resources to help lead healthier lifestyles
- Providing tools to help employees set and track progress towards personal goals, connect with colleagues with similar interests, take part in challenges and participate in events in the community and around the fleet

What's next

As the ferry system recovers from the effects of the pandemic, our priority will be on core ferry services to ensure the flow of workers, goods, and services. Over the coming year, our focus on injury prevention measures will remain in place as traffic increases and casual employees return to work and adjust to COVID-19 public health orders.

We will continue to explore efficiency enhancing processes and technologies, train employees, and deliver a consistently safe customer experience. We remain committed to continuing robust asset maintenance practices to ensure reliable service and support local maintenance, construction, and tourism industries.



2. Engaging Customers and Communities

We are building a customer-focused culture across all levels of the company. We are making investments in technology, internal processes, and employee training to ensure a consistent, seamless, and personalized customer experience.



Did you know?

This year, our Customer Care Call Centre answered 358,912 phone calls, with the goal of answering each call within two minutes.

Community Investment

Community investments give back to the communities we serve, at the same time engaging our employees. We support non-profit groups and community organizations that generate a beneficial social and environmental impact. We engage coastal communities and employees to identify community and social investment opportunities that fall into one of three categories:

Environmental
Education

Health
and Sport

Vibrant
Communities

BC Ferries provides in-kind travel or funding, or partners with the organization to deliver programs and services or encourages employees to volunteer and participate.

Regretfully, we had to pause several initiatives with regular community partners this year, including Powell River Kings, Cops for Cancer, Parks Canada and Great Canadian Shoreline Clean Up. Yet we still found ways to give back:

- **\$43,000** raised for the United Way; half by employees matched by the company
- **\$50,000** donated to the Victoria Rapid Relief Fund
- **\$6,000** of in-kind travel in support of community and non-profit organizations across BC
- Contributed to the restoration of the *Persephone*, the boat at the heart of the Beachcombers television show and a treasured landmark in the Gibsons community
- **1 million** masks donated in partnership with Deloitte, BC Transit, TransLink, Vancouver International Airport, and the United Way



- **5,000** masks provided to employees in support of Pink Shirt Day
- **3,350** pounds of food donated to Richmond, Victoria, and Nanaimo Food Banks
- **\$1,400** raised by employees for the Galiano Food Bank
- Partnerships with ViaSport, Nicolas Sonntag Marine Education Centre, the Whale Trail, and LivelT

Community Engagement

Transparent public engagement is our way to ensure the community has a voice in the future of the ferry system and the decisions that affect them most. Our public engagement program is a critical component of our infrastructure planning, service planning, project management and ongoing operations.

Ferry Advisory Committees represent the ferry-dependent communities we serve. They provide input on day-to-day operations, planned improvements, broader policy issues and strategic planning.

This year we:

- Hosted **46** meetings with our Ferry Advisory Committees to make service adjustments in response to COVID-19-related traffic changes, review projects, and future planning



Coming together to donate masks to people in need.

- Engaged with nearly **6,000** people on seven major projects exploring sailing schedule enhancements, terminal development plans, and solutions to service challenges
 - 2,400+** people in the Southern Gulf Islands and Salt Spring Island to support the entry of the new *Salish Heron* into service
 - 1,700+** people in the Moving Ahead Together on the Sunshine Coast project to identify potential solutions to service challenges on the Sunshine Coast
 - 19-member Project Working Group established to work on solutions to service challenges on the Sunshine Coast
 - 1,000+** people participated in terminal development planning activities
- Moved to online engagement and virtual community meetings and workshops to ensure we consulted with the community while adhering to health restrictions during the pandemic



Under construction: The *Salish Heron*.

Did you know?

In recognition of the Coast Salish as the traditional stewards and original mariners of the Salish Sea, BC Ferries named its new Salish Class ferry *Salish Heron*. BC Ferries is honouring the *Salish Heron* name with Coast Salish artwork on the exterior and interior of the vessel and partnering with the First Peoples' Cultural Council once again to facilitate the commission of an original design from a B.C. Coast Salish artist.



Indigenous Engagement

We are building relationships with Indigenous groups and sharing ideas to integrate cultural elements at the terminal sites and on our vessels. For many of our new vessels, we integrate cultural artwork and choose traditional names, as well as participate in culturally significant events.

The COVID-19 pandemic presented significant challenges to the remote Indigenous communities we serve. We provided support to these at-risk communities and raised awareness of evolving safety measures and travel advisories. For example, we:

- Supported the Haida Nation and Nuxalk Nation by integrating travel advisories, onboard announcements and posting signs at terminals advising of the state of emergency and discouraging non-essential travel to the area

- Liaised with vessel staff to accommodate and appropriately isolate residents of Haida Gwaii who recently travelled to foreign destinations
- Added new signage and fencing along the edge of the Malahat Nation's land near Mill Bay terminal to discourage ferry travellers from entering the property during the pandemic

To support terminal development projects and planning at locations throughout BC Ferries' networks, we consulted with Indigenous leaders to inform them of development plans, and address project-specific concerns. Consultations included terminal projects at Swartz Bay, Quathiaski Cove, Langdale, Westview, Earls Cove, Nanaimo Harbour and Descanso Bay.

Connecting Virtually

Social media was a primary channel to communicate pandemic-related changes to service, as well as health and safety guidelines. People looking for the most up to date information on COVID-19's impact on ferry travel drove significant year-over-year follower growth.



Twitter: 7,512 new followers
a 36% growth in followers from
the year prior



70% increase in engagement
(likes, comments, shares) on our content
across all our social channels



**27 videos developed
and shared**



**710,000 video views
across social channels**

New Website with Flexible Fares

We launched the new bcferries.com in October. The new website provides self-serve options for customers and allows them to customize their travel plans. In March, we introduced new *Saver* and *Prepaid* fare options.

15,000+ Saver and Prepaid fares sold within the first week of launch to people who were travelling for essential reasons

15,000+ survey respondents said they were pleased to have more affordable options

What's next

Over the coming year, we will provide meaningful opportunities for employees, customers, the public, and key stakeholders to engage with BC Ferries. We will expand our fare choices while trialing new technology solutions to improve customer choice at terminals and onboard vessels.

Engagement opportunities – We will enhance community relations and engagement practices through ongoing information sharing and relationship building efforts. Ongoing use of online engagement and virtual meeting technology will support traditional engagement approaches and provide an alternative forum for customers to participate in decisions.

New fare choices – We plan to introduce a deeper discount fare option along with select fare promotions to generate more interest and shift traffic from popular sailings to less busy sailings. In addition, we will implement a walk-on passenger reservation and redemption system on select routes, including the Tsawwassen - Swartz Bay route. As travel restrictions ease, we will promote local tourism to coastal B.C. communities.

New technology – We will trial an online pre-order/pre-payment system for onboard purchases at the Coastal Café. To increase efficiency and throughput, we will test the use of handheld point of sale devices at our Langdale, Horseshoe Bay, Tsawwassen and Swartz Bay terminals.



3. Protecting the Environment

Given our presence in coastal waters, we are determined to conduct our operations in an environmentally responsible way, be a leader in the transition to a lower carbon future and incorporate environmental factors into our decision-making.

Ambitious targets have been established internationally, federally, and provincially that commit British Columbians to reduce GHG emissions substantially over the next decade, with the goal of net zero emissions by mid-century. Despite the impact of COVID-19, we have not wavered in our commitment to reduce our environmental footprint in support of these targets. By 2030, BC Ferries strives to:

Transition
40%
of our light
duty vehicles to
all-electric or
low carbon fuel
operation

Divert
60%
of all wastes from
the landfill with
the potential for
95%
of organic waste
to be turned into
a clean resource

Continue to
**reduce
emissions**
from terminals,
facilities, and
buildings through
retrofit and new
building programs

Clean Energy Transition

Our shift to a cleaner future is made primarily through progressive steps in hybrid design. With hybrid design, we can adopt new energy sources without compromising reliability or interoperability in the fleet. Through the transition, BC Ferries is adopting available alternate energy sources that provide the lowest carbon-intensity. The duration of this transition is governed by the speed that we can overcome technological, regulatory, and economic barriers, as well as the capacity of BC Ferries to execute large-scale infrastructure changes without significantly disrupting normal operational services.

We are also investing in sustainable technologies like shore power, cable ferry technology and highly efficient new vessel platforms.

To offset fossil fuel use,

our ships switch to hydroelectric shore power at night and when not operational.

We stop shipboard generators

to eliminate engine noise and emissions.

We installed dual-fuel engines

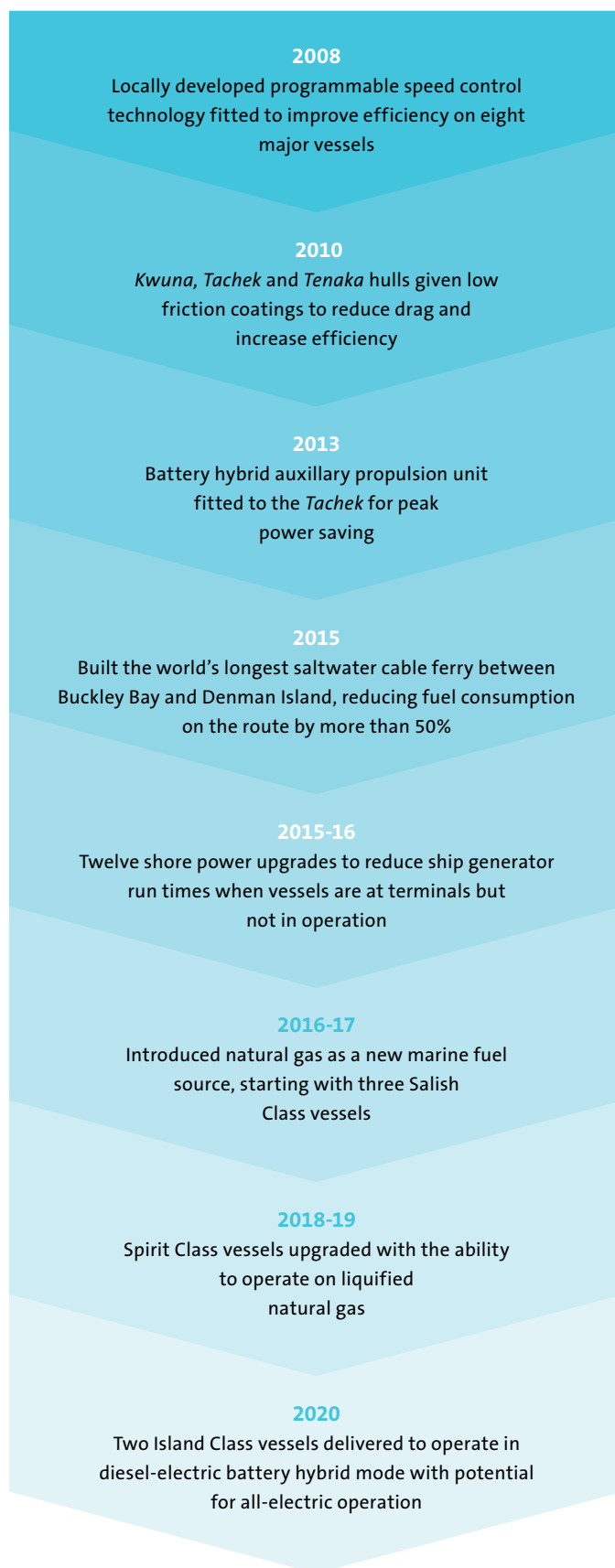
in our LNG-powered vessels.



Did you know?

In 2013, we fitted the *MV Tachek* with a 200 kWh-battery array for handling peak loads, such as when operating its new bow thruster. This was the first battery-hybrid installation by a West Coast ferry operator.

Our Transition Path



A Shift to B.C. Natural Gas and Beyond

Shifting to the use of BC liquefied natural gas (LNG) and displacing more than 22 per cent of the total diesel fuel consumption, delivered the most significant reduction in air contaminants from BC Ferries' fleet.

Four Salish Class vessels will operate with LNG

Two Spirit Class vessels, the largest fuel consumers in the fleet, were converted at mid-life to use cleaner LNG.

We have examined the case for using LNG for all fleet vessels with significant remaining life span. Conversion requires lengthy and costly absence of the vessel from operations. With limited reserve vessel capacity, we can only convert one vessel each year.

The three Coastal Class vessels, *Northern Adventure* and the *Northern Expedition* remain the potential candidates for LNG conversion in the future.

As alternative low GHG fuels become available, BC Ferries will continue to assess the best fuel options for the fleet. When the alternative fuels meet reliability, cost and safety criteria, BC Ferries incorporates the fuels into conversions and new build projects.

We operate within a complex framework of federal, provincial and regional environmental laws and regulations, including solid and liquid waste management, air quality, fisheries and wildlife, and oil spill response:

Diverted
130

metric tonnes
of organics

Achieved an
emissions offset of
10,407mt

CO₂ equivalent
through shore
power usage,
equal to taking
1,118
cars off the road
each year

Recycled
251

metric tonnes
of materials

Generated
1,239
metric tonnes
of waste for the
landfill, down
from 1,911 metric
tonnes the
previous year

15.0 GWh
of shore
power used

Responded to
85

environmental
incidents,
including

62
leaks and spills
from external
sources including
contractors,
commercial
vehicles and
equipment,
and passenger
vehicles

Achievements

We are proud to be recognized for our commitment to improving the environmental sustainability of our operations, from ship to shore.



* Awarded in
Summer 2020

- **2020 Blue Circle Award**
– 4th consecutive year
- **2019* Green Wave Award from the Prince Rupert Port Authority**
– 3rd consecutive year
- Named a **WhaleReport 'Top Reporter' in 2020**
- **Green Marine certification**
– 6th consecutive year

BC Ferries collaborated with the Port of Vancouver and Ocean Wise to develop a "Whales in our Waters" tutorial for mariners in 2019. At this time, we have delivered the training to 97% of our bridge teams.

We also partnered with Ocean Wise and DFO's Habitat Stewardship Program to support the Whale Trail, a network of viewing locations contributing to conservation-based research. At this time we have Whale Trail signage at the following terminals:

- Tsawwassen
- Langdale
- Little River
- Blubber Bay
- Campbell River





Did you know?

The *Baynes Sound Connector* entered service in 2015 and is the world’s longest saltwater cable ferry. The ferry has reduced diesel fuel consumption and GHG emissions by more than 50 per cent. We are considering converting this cable ferry to full electric to further minimize emissions.

What’s next

Next year we will introduce four additional diesel-electric battery hybrid Island Class vessels and one additional Salish Class vessel to run on LNG. We will also explore the potential to increase the portion of biodiesel and renewable diesel in the fleet fuel supply.

As we progress our GHG emissions reduction strategy, fossil fuels in large scale usage will be displaced by lower carbon intensive fossil fuels. In the longer term, BC Ferries will consider incremental displacement of fossil fuels by renewable fuels adapted to marine applications. The following graphic summarizes the transition approach:



Animal Rescues

We supported animal rescues, rehabilitation and reunions:

- Contacted local animal rescue society after discovering a lone Trumpeter Swan in the estuary near Little River
- Rescued a seal pup from the berth at Buckley Bay
- Worked with Powell River Orphaned Wildlife Society to move rescued ducks from Earls Cove to Westview
- Transported baby raccoons from Westview to Comox Wildlife Society
- Little River Terminal Attendant located a cat that had escaped from passenger’s vehicle; kept “Dasher” overnight and arranged to reunite her with her family the next day

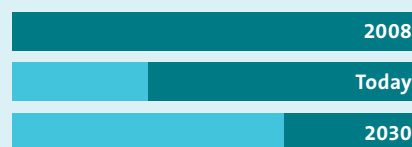


Dasher the cat, reunited with her owner.

MAJOR Routes — Longer voyage

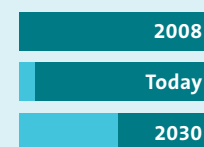


MINOR Routes — Longer voyage*



* Routes 4, 5, 7, 9, 12, 17, 18, 24, 25

MINOR Routes — Shorter voyage**



** Routes 6, 8, 19, 20, 21, 22, 23

Low Carbon Energy

Legacy Fossil Fuel

Adoption of clean energy must not impair the reliability of the future fleet. Vessels must be able to operate on the energy source available regardless of where or when they are built or used, preferably using the lowest carbon-intensive energy.

BC Ferries' fleet standardization strategy will reduce the variety of vessels from about 17 to five standard vessel platforms, which will improve interoperability and maintainability, while reducing costs. Within these standard platforms, we are evaluating different approaches to advance GHG emissions reductions, while balancing technology, energy supply, risk, and cost.

For new vessels, BC Ferries is pursuing opportunities to adopt low carbon-intensive energy sources. This includes electrification and assessing the feasibility to transition to other emerging energy sources in the future.

Electrification

We are working closely with BC Hydro to determine the broader plan for hydro-electricity as a primary energy source. The main barriers to marine electrification are capital cost and the complexity in developing the shore-side infrastructure. As part of our overall electrification strategy, BC Ferries is also exploring energy storage solutions that have the potential to reduce the need for significant infrastructure, like new substations and transmission lines.

Island Class – The road to low carbon transportation begins with electrification of the Island Class, a new standardized minor class of ferries built with battery-hybrid technology. The Island Class is an immediate opportunity to decarbonize minor routes and test technology critical for wide-scale implementation.

New Major Vessels – As the next flagship vessels in the fleet, the replacements for the C-Class (the “New Major Vessels”) will provide the greatest opportunity for substantial reduction in emissions to reach long-term targets.

Retrofits – We continue to explore opportunities to increase energy efficiency through retrofitting existing ships. This could include upgrading and installing newer equipment/technology onboard that performs the same task using less energy, thereby reducing emissions. These upgrades could also include battery hybridization, such as with the Coastal Class, Salish Class, C-Class, and Capilano Class.

Transition to other energy sources

A shift to low carbon-intensive energy is also a valuable opportunity for our shore-side fleet, that includes over 350 light-to-heavy-duty vehicles and equipment that support our operational and maintenance needs.

Shore-side vehicles and infrastructure – Where feasible, we are acquiring electric fleet vehicles and other clean technology and are on track to have 40 per cent of new light-duty vehicles be electric by 2030. We are also reviewing our heavy-duty vehicles and equipment, including in our Commercial Services division, to see how we can replace aging yard trucks with clean technology.

Operational procedures – We continuously review our operational procedures and behaviours to find ways to reduce our energy consumption and emissions and run our business more efficiently.

Alternative fuels – Increasing the amount of renewable fuel in our existing fuel supply is an important mechanism to reduce GHG emissions, particularly for ships that are already in service and are not conversion candidates for hybridization or electrification. We will explore the feasibility of adopting emerging energy sources to reduce GHG emissions, such as hydrogen, ammonia, and methanol. Investing in new ship technology will require a more secure supply of these alternative fuels and we will continue to closely monitor advancements in energy supply and infrastructure in this area.



4. Supporting our People

We are committed to creating a safe and healthy work environment for our employees. For the fifth year in a row, BC Ferries was selected as one of BC's Top 100 Employers by the editors of Canada's Top 100 Employers. This designation recognizes the British Columbia employers that lead their industries in offering exceptional places to work.

In response to the global pandemic, we put into place a series of COVID-19 protocols to promote safe working environments.

- **Developed 92 COVID-19 Safety Plans** and provided one-on-one support to worksites
- **Coordinated 61 per cent more** security shifts to assist frontline staff with communicating new safety protocols
- Introduced and encouraged **widespread use of digital platforms** including WebEx and Jabber
- **Developed a contingency plan** to isolate crewing offices, if required
- Implemented work-from-home procedures and **provided ongoing support** for more than a year
- Developed **a certificate extension tracking system** to ensure employees stayed in compliance with Transport Canada and BC Ferries' minimum safe manning regulations

During the pandemic, BC Ferries and the BC Ferry & Marine Worker's Union continued extensive negotiations and signed a five-year agreement providing for fair and modest wage and benefit increases, marking 22 years of labour stability.



Did you know?

About 4,000 employees are members of the BC Ferry & Marine Workers' Union.

Human Resources & Employment

Employees understand that customer satisfaction, at every level, is paramount to retaining and growing our business, and every employee has an impact in this area. To support our employees, we:

- **Provided Employee and Family Assistance Programs** for all employees
- **Adjusted paid sick leave provisions to support all employees**, including casual employees in April 2020, in response to the global pandemic
- Helped employees plan for a secure future with **retirement planning assistance and contributions** to a defined benefit pension plan
- Completed a **robust analysis of our workforce** looking at factors such as crew profiles, resource requirements contingency plans, overtime, amongst other **factors to better support recruitment**
- **Invested in career advancement**, providing employees with the knowledge and potential to develop and move through the organization in accordance with their **skills, interests, and personal career goals**

Training & Development

- Provided in-depth operational training programs, and management and leadership courses, to support employee learning
- Continued to develop succession plans with an aim to securing critical knowledge management throughout the company

International Recognition for our SEA Program

Our Standardized Education and Assessment program, or SEA program, provides customized programs specific to the job, vessel, route, or terminal. The program provides employees with easy access to resources and materials and assists in planning and tracking employee career progression and succession. It leverages technology and e-learning to enhance hands-on training in a phased, auditable, and sustainable manner, and represents an innovative approach that we believe is transforming training in the marine industry.

Simulator Training Centre Well-Received by Employees

Our Simulator Training Centre program provides training to operational crews in operations skill, navigation tools, communication, and team decision-making. Our signature course is Bridge Operations Skills and Systems for which we received a Lloyd's List Safety Training award for outstanding commitment in training our employees ashore and at sea. It focuses on gaining, maintaining, and enhancing shared bridge team situational awareness and allows us to construct simulation activities and scenarios to customize the education.

103 Employees applied to the Marine Education Program

117 new 5500 PSI cylinders purchased, labelled, and distributed to vessels to be used exclusively for drill purposes, enhancing the safety and realism of fire drills

235 personal training days at the Simulator Training Centre

950 employees completed new Environmental Awareness Training

SailSafe

Our SailSafe program, launched in 2007, achieves world-class safety performance and reflects the company's and BC Ferry & Marine Workers' Union's commitment to safety as an essential part of our business.

- Underwent an audit to recertify for the Certificate of Recognition ("COR") from WorkSafeBC resulting in a 94 per cent score in Health and Safety and 89 per cent score in Injury Management.

What's next

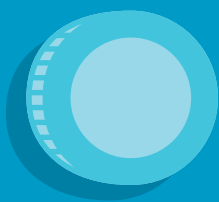
We create a diverse culture and inclusive workplace where people want to work and remain throughout their careers in productive, competitive, high-skilled employment. Succession planning is a key focus as we work to secure critical knowledge throughout the company. Going forward, we will also continue to promote safe, healthy workplaces while we strengthen progressive employer-union partnerships.

Diversity and Inclusion – BC Ferries strives to create a workplace that reflects the diversity of the communities we serve. Over the coming years, we will continue to foster relationships with local community organizations, co-op and apprenticeship programs and ensure fair employment practices and treatment of employees across our organization.

Talent management – We will ensure the provision and retention of operational employees, as well as trades, technical and support resources for vessel refit, major overhauls and inspections, ship repair and fleet maintenance. Continuation of apprenticeship programs is a key component of this strategy.

Safe, healthy workplaces – We aspire to be the safest ferry operator in the world and will maintain our continued focus on increasing safety awareness and addressing any gaps. Over the coming year, we will increase our support of employee health and wellness programs and expand the number of training opportunities where required.

Did you know?



BC Ferries has a comprehensive employee health and wellness program known as WHEEL - Wellness & Health by Engaging Employees Locally. The WHEEL program is a bursary fund providing financial support to employees to help them achieve their own individual or group health and wellness goals.



5. Investing Sustainably

BC Ferries is an asset-intensive service and we recognize the importance of providing this service in an environmentally, financially, and socially sustainable manner. Our investment decisions focus on delivering a safe, reliable, and efficient service that supports fare affordability. Each year we plan, manage, and implement more marine construction and ship repair projects in British Columbia than any other company.

The COVID-19 pandemic had a significant economic impact across the globe, including on our financial position. Throughout the year we reviewed our capital plans to find financial efficiencies wherever possible, without compromising safety or service. Last year we spent approximately \$60 million in British Columbia on vessel repairs, maintenance, and upgrades. A few highlights include:

June 10

Island Discovery enters service on the Texada Island – Powell River route and 62-year-old *North Island Princess* retires

June 18

Island Aurora enters service on the Port McNeill - Alert Bay - Sointula (Vancouver Island-Cormorant Island-Malcolm Island) route

October 28

Launches third Island Class vessel at Damen Shipyard

November 25

Trials two-ship service on Campbell River-Quadra Island route

December 17

Launches fourth Island Class vessel at Damen Shipyard

December 22

Launches fourth Salish Class vessel at Remontowa Shipyard

February 22

Launches fifth Island Class vessel at Damen Shipyard

Vessel Replacement Program

We follow a formal and transparent procurement process to obtain the best value for ferry users. Our vessel replacement program uses worldwide best practices to guide our procurement activity.

Our Vessel Replacement Program (“VRP”) team provided oversight on our five shipbuilding projects – four Island Class ferries and one Salish Class vessel – with on-site teams in contractor shipyards in both Romania and Poland. The team also managed warranty repair periods for new vessels, including *Island Discovery* and *Island Aurora*, as well as the *Spirit of British Columbia* and *Spirit of Vancouver Island*.

When new ships enter the fleet, we offer surplus vessels for sale through an international shipbroker. BC Ferries’ preference is to sell used vessels for ongoing trade — further commercial operation. Because of our commitment to the environment, if we are not successful in finding a buyer who will continue to operate the ship, we will ensure the vessel is recycled in an environmentally friendly manner. In May, we retired the 47-year-old *Nimpkish* from the fleet when the *Northern Sea Wolf* became the new vessel for the Central Coast Connector route. In June, one of BC Ferries’ newest vessels, *Island Discovery*, replaced the 62-year-old *North Island Princess*. The VRP team managed the sales of both retired ferries.

Supply Chain Management

Our supply chain management team focused on delivering quality integral for the day-to-day provision of parts, materials and supplies, while improving efficiency:

Saved \$15.1 million by conducting 46 separate market requests for quotes/proposals across a broad range of goods and services

Tendered and negotiated new five-year diesel fuel and marine lubricant contracts valued at **\$53.2 million** and **\$1.6 million** annually

Achieved a **92% labour utilization rate** across 14 trades and technical support teams

Updated policies and procedures to reflect business changes and emerging requirements

Achieved **renewal of the ISO9001:2015 certificate** of approval for Quality Management under guidelines established by Lloyds Register Quality Assurance

What’s next

Over the coming year, we will introduce several new vessels into operation. We will continue to seek efficiencies and opportunities that add value and keep fares affordable. Our long term planning activities will be guided by community and customer input. We will also explore strategic partnerships and external funding opportunities, in support of core operations.

Introduce new vessels – We are excited to welcome five new ships: two Island Class vessels to serve the Campbell River-Quadra Island route; two Island Class to serve the Nanaimo-Gabriola Island route; and one Salish Class to serve the Southern Gulf Islands route.

Prepare for the future – We will re-launch the design activities for the New Major Vessels with exciting potential around low emission propulsion, low wake production and low noise.

Seek efficiencies – Standard designs, choice of materials and processes can all create efficiencies in inventory, project, and maintenance delivery. Our teams will evaluate strategic supply and sourcing solutions for the procurement of goods and services that strengthen supplier relationships, drive best value for money and lower the overall cost to purchase.

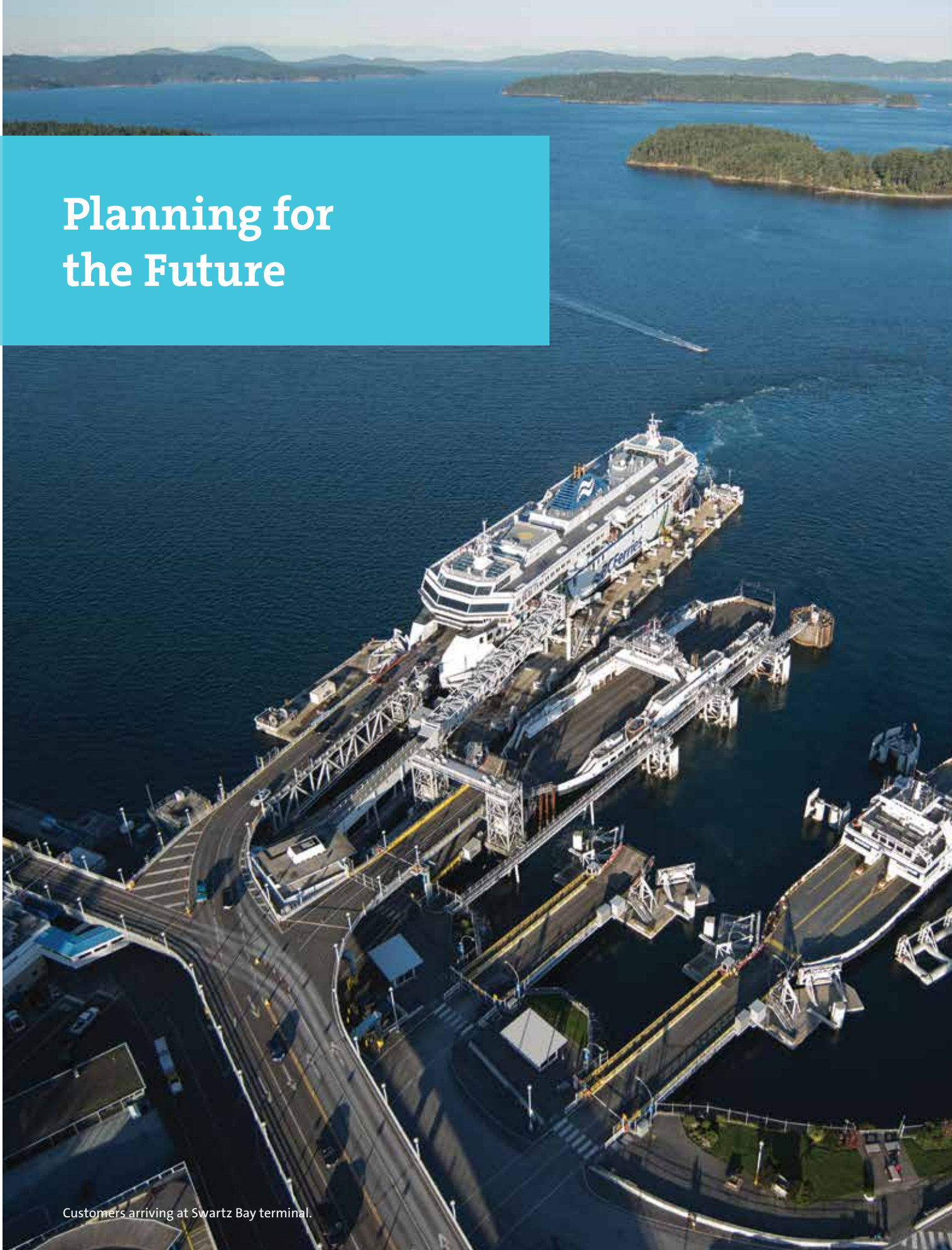
Customer input – We seek feedback from our customers and align it wherever we can as we create long-term plans for our terminal developments. Over the next year, we will be undertaking broad engagement with customers to help us develop long term visions for upgrades at several Gulf Island and Sunshine Coast terminals.

Strategic partnerships – We will increase the offering of BC Ferries Vacations™ packages through partnerships with regional travel suppliers. Working closely with our commercial trucking customers, we will support the continued growth in the movement of essential goods and supplies throughout the province.



Customers driving on board the *Queen of Cumberland* for travel to Swartz Bay and the Southern Gulf Islands.

Planning for the Future



Customers arriving at Swartz Bay terminal.

An important part of our work is to look forward, plan for the future, seek efficiencies and ways to innovate, be environmentally responsible and act in the best interests of the public, our customers and coastal communities. Annually, BC Ferries engages in strategic and business planning to assess our short and long-term planning and respond to the ever-changing social and business climate we operate in.

Due to the COVID-19 pandemic, we saw dramatic declines in traffic and revenue, which placed limitations on both our operating budgets and our capital expenditures. We adjusted our operating costs and deferred capital spend in response. We deferred \$100 million of our planned fiscal 2021 capital expenditures that were not regulatory, security or safety related and/or operationally necessary and extended the timeline for our New Major Vessel project plan by five years. As the ferry system recovers from the effects of the pandemic, we need to focus on the core service and adjust our short and long-term plans accordingly.

While the emphasis is on core service, we must also continue to look for opportunities to grow revenues, achieve efficiencies and innovate wherever possible. One of the most important areas for innovation is initiatives that address climate change. We have set a goal of being one of the most sustainable large-scale ferry operators in the world. We are planning and operating the ferry system not only for today, but for generations to come.

Going forward, we will work hard to live up to the commitment we make every day to British Columbians: to provide coastal communities with essential, safe, reliable and affordable ferry service. Prudent planning and capital spending now will ensure we can play an important part in serving the public interest and supporting the economic recovery of the province.

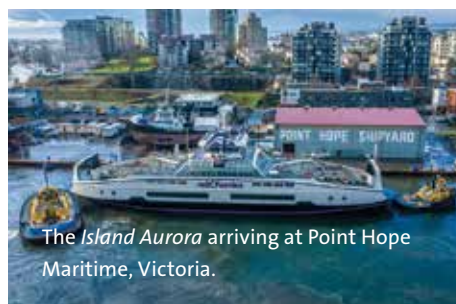
How we Sustain a Safe and Reliable Service

We reinvest all money earned back into the ferry system. This allows us to improve and replace our vessels, terminals and information technology infrastructure.

Where do net earnings go?

- Help renew the fleet by purchasing new ferries, terminal equipment and required Information Technology systems
- Provide services above Coastal Ferry Services Contract levels
- Pay down debt and reduce our future borrowing and associated costs
- Reduce fares
- Save for unexpected events

Our Capital Plan



The *Island Aurora* arriving at Point Hope Maritime, Victoria.

Funded through our net earnings, BC Ferries' Capital Plan ensures that customers' needs are met today and tomorrow. Our Capital Plan identifies the spending

required to modernize and replace our aged ferries, terminals and IT systems, reflective of passenger and vehicle growth and customer needs. Our Capital Plan addresses needed additional system capacity requirements to accommodate growth in traffic and changes to the way people travel.

Over the next three years, we expect our capital expenditures to average approximately \$250 million per year. Our Capital Plan includes new vessels, upgrades and modifications for existing vessels, improvements at our fleet maintenance unit, upgrades at our terminals and renewal of our information technology systems. Upgrades to our existing vessels include enabling the full electrification of our hybrid-powered Island Class vessels, provided external funding can be secured to support shore charging infrastructure and the associated upgrades to the vessels.

Other programs that have received external funding include:

Approved for up to **\$28.3** million in funding under the federal government's New Building Canada Fund for the Island Class vessel project. To date, we have received **\$24.3** million.

\$16.0 million from FortisBC in incentive funding to help offset incremental capital costs associated with LNG for the Spirit Class and the Salish Class vessels. To date, we have received **\$13.0** million.

Capital expenditures, net of funding from the New Building Canada Fund and FortisBC, during the last two fiscal years are shown in the table below:

Capital expenditures by fiscal year (\$ millions)	2021	2020
Vessel upgrades and modifications	23.8	45.6
New vessels	71.4	140.9
Terminal marine structures	6.1	15.5
Terminal building upgrades and equipment	2.6	10.1
Information technology	18.1	26.0
Total	122.0	238.1

Our Governance Structure



The *Salish Raven*. The Salish Class ferries were the first in the BC Ferries fleet to use liquefied natural gas as a fuel, reducing CO₂ emissions.

BC Ferries is an independent regulated ferry service contractor that serves the public interest within the bounds set by the Coastal Ferry Services Contract and the decisions of the British Columbia Ferries Commissioner.

We operate within a complex legislative and economic regulatory framework that was established in 2003 when the provincial government enacted legislation to create a new, more sustainable model for the delivery of coastal ferry services.



Coastal Ferry Act

The *Coastal Ferry Act*, enacted by the provincial government in 2003, among other things, provided for the conversion of BC Ferries from its status as a Crown Corporation to an independent company, and created the B.C. Ferry Authority, a corporation without share capital, as BC Ferries' sole owner. It also established the office of the British Columbia Ferries Commissioner (the "Commissioner") and authorized the provincial government to enter contracts for the operation of ferries on specified ferry routes.

B.C. Ferry Authority

The *Coastal Ferry Act* created the B.C. Ferry Authority, a corporation without share capital. It is BC Ferries' sole voting shareholder. It has four core responsibilities:

- To appoint the directors of BC Ferries
- To establish a compensation plan for directors of BC Ferries
- To approve an executive compensation plan for the executives of BC Ferries
- To oversee the strategic direction of BC Ferries in support of the public interest

Relationship to the Provincial Government

We have a contract, the Coastal Ferry Services Contract, with the B.C. government to provide passenger and vehicle ferry services on the west coast of B.C. We are the only ferry operator that has such a contract with the provincial government. The provincial government holds cumulative preferred non-voting shares of BC Ferries and is entitled to receive an annual dividend of \$6.0 million as and when declared by the BC Ferries' Board of Directors.

Coastal Ferry Services Contract

Our 60-year service contract with the provincial government, which commenced in 2003, stipulates, among other things, the minimum number of round trips we must provide for each regulated ferry service route and the fees the Province is to pay in exchange for those services. After the first five-year term, as part of this contract, the services and fees are to be reviewed every four years. We completed the most recent renewal of the contract for the fifth performance term that began on April 1, 2020, ending March 31, 2024. Under the terms of the contract, we also receive an annual amount from the provincial government based on its agreement with the Government of Canada to fulfill the obligation to provide ferry services to coastal British Columbia. The B.C. government also leases the ferry terminals to BC Ferries under a long-term agreement.

British Columbia Ferries Commissioner

The Commissioner, independent of both the Province and BC Ferries, is responsible for monitoring service levels and other matters, and regulating average fare increases. The Commissioner uses a price cap mechanism to establish the fares BC Ferries can charge customers. The Commissioner undertakes this regulation in the public interest in accordance with the following principles:

- To balance the interests of ferry users, taxpayers and the financial sustainability of ferry operators
- To encourage BC Ferries to meet provincial greenhouse gas emissions targets in its operations and when developing capital plans
- To encourage innovation and minimize expenses without adversely affecting safe compliance with core ferry services

Our Routes



Legend

- 1 Tsawwassen – Swartz Bay
- 2 Horseshoe Bay – Departure Bay
- 3 Horseshoe Bay – Langdale
- 4 Fulford Harbour – Swartz Bay
- 5 Swartz Bay – Southern Gulf Islands
- 6 Vesuvius – Crofton
- 7 Earls Cove – Saltery Bay
- 8 Horseshoe Bay – Bowen Island
- 9 Tsawwassen – Southern Gulf Islands
- 10 Port Hardy – Prince Rupert
- 11 Prince Rupert – Haida Gwaii
- 12 Brentwood Bay – Mill Bay
- 13 Langdale – Gambier Island – Keats Island
- 17 Comox – Powell River
- 18 Powell River – Texada Island
- 19 Nanaimo Harbour – Gabriola Island
- 20 Chemainus – Thetis Island – Penelakut Island
- 21 Buckley Bay - Denman Island
- 22 Denman Island – Hornby Island
- 23 Campbell River – Quadra Island
- 24 Quadra Island – Cortes Island
- 25 Port McNeill – Sointula – Alert Bay
- 26 Skidegate – Alliford Bay
- 28 Port Hardy – Bella Coola
- 28a Bella Bella - Ocean Falls - Shearwater – Bella Coola
- 30 Tsawwassen – Duke Point

Southern Gulf Island Routes



ROUTE 9 = TSAWWASSEN SERVICE FOR PENDER, SATURNA, MAYNE, GALIANO, SALT SPRING
 ROUTE 5 = SWARTZ BAY SERVICE FOR PENDER, SATURNA, MAYNE, GALIANO



Our Fleet

Vessel	MAXIMUM CAPACITY	
	Passengers & Crew	AEQ*
Spirit of British Columbia	2,100	358
Spirit of Vancouver Island	2,100	358
Coastal Celebration	1,604	310
Coastal Renaissance	1,604	310
Coastal Inspiration	1,604	310
Queen of Coquitlam	1,494	316
Queen of Cowichan	1,494	312
Queen of Oak Bay	1,494	308
Queen of Surrey	1,494	308
Queen of New Westminster	1,332	254
Queen of Alberni	1,200	280
Northern Adventure	640	87
Northern Expedition	638	115
Salish Orca	600	138
Salish Eagle	600	138
Salish Raven	600	138
Salish Heron†	600	138
Malaspina Sky	462	112
Queen of Cumberland	462	112
Queen of Capilano	457	100

Vessel	MAXIMUM CAPACITY	
	Passengers & Crew	AEQ*
Skeena Queen	450	92
Mayne Queen~	400	58
Bowen Queen~	400	61
Powell River Queen~	400	59
Island Discovery	400	47
Island Aurora	400	47
Island 3, 4, 5, 6+	400	47
Quinsam	400	63
Quinitsa	300	44
Kuper	269	26
Quadra Queen II	200	26
Kahloke	200	21
Baynes Sound Connector	150	45
North Island Princess**	150	38
Northern Sea Wolf	150	35
Tachek	150	26
Klitsa	150	19
Kwuna	150	16
Nimpkish**	100	12

*Automobile Equivalent (AEQ) is used to determine vessel capacity based on a standard vehicle measure of 6.1 x 2.6 metres, roughly equal to a full-size family vehicle

†Joining the fleet in 2022

~Retiring from the fleet in 2022

**The Nimpkish was retired in May 2020, while the North Island Princess was retired in June 2020



The *Island Discovery* boarding passengers
at Texada Island (Blubber Bay).