

Report pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (S.C. 2023, c. 9)

British Columbia Ferry Services Inc.
For the fiscal year ended March 31, 2024
Dated April 29, 2024

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 accordance with the provisions of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"), the following report identifies the measures that British Columbia Ferry Services Inc. ("BC Ferries", the "Company" or "we") has taken to prevent and reduce the risk that forced labour or child labour is used at any step in our supply chain. This report contains information on actions taken for the fiscal year ended March 31, 2024.

Introduction

BC Ferries operates as an independent, regulated, self-financing company providing passenger and vehicle ferry service to ports of call throughout coastal British Columbia. The *Coastal Ferry Act* has transformed BC Ferries into a customer-focused and financially stable marine transportation system.

BC Ferries provides coastal ferry services under the Coastal Ferry Services Contract on a portfolio of 25 routes, delivered through BC Ferries' 38 vessels, 47 terminals, and over 4,500 employees. BC Ferries' mission is to connect communities and customers to people and places important in their lives.

Mandatory Reporting Topics

This report describes the steps taken by BC Ferries to prevent and reduce forced labour and child labour from our supply chains pursuant to the Act. The mandatory reporting topics and BC Ferries response thereto are set out below.

1. Structure, activities and supply chains.

BC Ferries operates ferry services under a regulatory framework established by the [Coastal Ferry Act](#) and under the terms set out in the [Coastal Ferry Services Contract](#) ("CFSC") between BC Ferries and the Province of British Columbia. BC Ferries' sole voting common share is held by the B.C. Ferry Authority.

The CFSC is a 60-year services contract, which commenced April 1, 2003, and stipulates, among other things, the number of round trips that must be provided for each regulated ferry service route in exchange for specified fees (ferry transportation fees). The CFSC has been amended from time to time. The CFSC and its amendments are available on our website at: <https://www.bcferrries.com>.

To support the Company's mission, the Supply Chain department at BC Ferries is tasked with overseeing diverse procurement projects. These range from substantial capital endeavors like vessel renewals, terminal upgrades, and significant IT transformations to operational initiatives such as vessel and terminal maintenance, business planning, and various professional support requirements. Each procurement project may encompass the acquisition of goods and/or services.

2. Policies and due diligence processes in relation to forced labour and child labour.

BC Ferries has taken the following measures:

- **Drafted a Supplier Code of Conduct** that will be published on its external website (www.bcferrries.com). The intent of the Supplier Code of Conduct is to establish clear parameters, and set expectations to Suppliers and their sub-contractors while conducting business with BC Ferries. The Supplier Code of Conduct emphasizes the importance of respecting workers' rights, mandates the implementation of measures to mitigate the risks of human trafficking and the monitoring of compliance with labour and human rights laws within their respective supply chains jurisdictions.
- **Reviewed all tenders conducted in the last 24 months** and compared the procured goods against a [published list of goods¹](#) that may be produced by child labour or forced labour [1]. As a follow-up, BC Ferries is considering potential improvements to its country-of-origin tracking for procured goods.
- **Updated supply and services contract templates** to explicitly require vendors, as well as their employees, officers, agents, sub-contractors and representatives to comply with all applicable laws, statutes, regulations and codes relating to anti-slavery and human trafficking laws, including but not limited to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada). Going forward vendors will be required to:
 - Comply with applicable anti-slavery and human trafficking laws, including the Act, as described above;
 - Take all reasonable steps to monitor and manage their own supply chain and sub-contractors compliance (including implementing appropriate policies and procedures) with all anti-slavery and human trafficking laws, statutes and regulations from time to time in force, including the Act; and
 - If requested by BC Ferries, demonstrate effective implementation of their policies and procedures relating to anti-slavery and human trafficking laws, including the Act.

3. The parts of the business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.

BC Ferries conducted benchmarking, including public webinars and consultation with other public sector organizations, to identify best practices for addressing forced labour and child labour in the supply chain and to endeavour to keep knowledge current in this important area.

¹ The US Department of Labor has a sub-entity named the Bureau of International Labor Affairs (ILAB), who maintains a list of goods and their source countries which it has reason to believe are produced by child labor or forced labor in violation of international standards. The List of Goods Produced by Child Labor or Forced Labor comprises 159 goods from 78 countries and areas.

4. Any measures taken to remediate any forced labour or child labour.

To date, no forced labour or child labour has been identified. Nevertheless, BC Ferries recognizes its responsibility to ensure operations and products, along with the supply chains that support them, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in its supply chain. BC Ferries will continue to consider what additional measures it may undertake to monitor potential risks through its supply chain.

5. Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in our activities and supply chains.

To date, no forced labour or child labour has been identified.

6. The training provided to employees on forced labour and child labour.

BC Ferries provided training on the Act to its procurement staff. The training aims to create a core understanding of the Act, enabling staff to explore other measures and controls to strengthen capabilities to better respond to the Act's requirement and/or any additional future requirements.

7. How we assess our effectiveness in ensuring that forced labour and child labour are not being used in our business and supply chains.

BC Ferries has updated its tender document templates, to explicitly request suppliers, on a go-forward basis, to demonstrate evidence of their due diligence by providing BC Ferries with:

- Their policies and description of their processes to ensure they can identify and mitigate risks of forced and child labour in their supply chains;
- Measures taken to remediate any forced or child labour, as identified; and
- An overview of their compliance processes, including risk assessments, auditing processes, and employee training, amongst others.

The collection of this information through the procurement process is expected to enable BC Ferries better visibility into its supply chains, which may then be used to consider additional measures and/or improvements to existing measures to prevent and reduce the risk of forced labour and child labour in our supply chains.

Official language:

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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.

Full Name:	Joy MacPhail
Title:	Chair, British Columbia Ferry Services Inc. Board of Directors
Date:	April 29 2024
Signature:	