

Annual Report

Fiscal 2026

An aerial photograph of a coastal area. On the left, a dense forest of green and dark evergreen trees covers a hillside. At the base of the forest, there is a small settlement with several buildings, including a large white one and a smaller blue one. A road with many parked cars leads to a ferry terminal. A long, narrow pier extends from the shore into the water. A large white ferry boat with "BC Ferries" written on its side is docked at the pier. The water is a deep blue, and the sky is filled with large, white, fluffy clouds. In the distance, more land and mountains are visible across the water.

Territorial acknowledgement

BC Ferries acknowledges the enduring ancestral connections of the coastal First Nations, on whose beautiful lands and waters we are privileged to operate every day.

Photo: Klitsa, Mill Bay Terminal

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Our journey ahead



Cathy McLay
Board Chair



Nicolas Jimenez
President & CEO, BC Ferries

As one of the largest and most complex ferry systems in the world, BC Ferries plays an essential role in local transportation, connecting the people and the coast of British Columbia. Each year, millions of passengers, vehicles and commercial services rely on our ferry system, making our routes vital lifelines for the communities we serve.

This last fiscal year, we carried more customers and vehicles than ever before. That was made possible through the expertise and dedication of our 5,000-plus employees, who put safety first and ensure the reliability of our ferry system — day in and day out.

During the year, we achieved significant milestones and moved forward several strategic priorities:

- **Advanced our fleet renewal program**, including approval and early progress on four Summit Class vessels (formerly known as New Major Vessels) while continuing the rollout of Island Class vessels to replace aging ships and strengthen system capacity and resilience.
- **Made progress on critical terminal infrastructure upgrades**, including the completion of the first phase of construction at Horseshoe Bay and Langdale terminals to address aging infrastructure and improve safety, efficiency and reliability.
- **Improved operational performance**, achieving higher on-time performance and significantly reducing sailing cancellations, reflecting stronger fleet availability and operational practices.
- **Expanded affordability options for customers**, introducing more Saver fares and enhanced booking tools that provide greater travel certainty and help make better use of available capacity.
- **Strengthened workforce stability**, through continued investment in recruitment, training and retention, improving operational readiness and reducing crew-related disruptions.

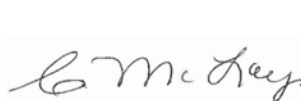
We have also taken disciplined action to manage financial pressures within the current framework. Over the past two years alone, we have reduced more than \$3 billion in planned long-term capital investments through project deferrals, scope adjustments and revised timing. We have also strengthened spending controls and pursued operational efficiencies to better align expenditures with current revenue and funding realities.

Despite this progress, BC Ferries continues to face a significant financial challenge that has been building over many years. While we saw higher passenger and vehicle volumes across the system this last year, costs rose faster than revenues across much of the ferry system — a trend anticipated to continue. Aging vessels and terminals, increasing maintenance needs, capacity constraints on major routes and inflationary pressures all contributed to the gap between what it costs to deliver service and the revenues available under the current funding framework.

As we prepare our next performance term submission (PT7) in September 2026, our focus will be on sustaining the ferry services British Columbians rely on today—safely, reliably and over the long term. Through this process, we must carefully balance affordability, investment and service levels for the people, communities and businesses that depend on BC Ferries.

Looking ahead, our commitment remains unchanged. BC Ferries is an essential public service, and the role we play in connecting coastal communities has never been more important. We are proud of the progress made this past year and grateful for the dedication of our people, who deliver this service every day with professionalism, care and expertise. We will continue to pursue opportunities to reduce the pressure on customer fares while maintaining service levels, improving reliability and making the investments needed to sustain the system.

Above all, we remain focused on what matters most: operating safely, serving reliably and working collaboratively to secure a sustainable future for British Columbia's coastal ferry system.



Cathy McLay
Board Chair



Nicolas Jimenez
President & CEO, BC Ferries

Introduction

Setting strategy into action



About this report

This 2025-26 Annual Report of British Columbia Ferry Services Inc. (“BC Ferries”) summarizes our progress and achievements from April 1, 2025 to March 31, 2026 (fiscal 2026). It outlines key areas of strategic focus for the year ahead, capturing how we’ve done this past year and identifying the opportunities to improve and evolve for the coming years.

Our goal with this report is to transparently share how we are performing against our strategic plan and to provide a high-level overview of what’s ahead. This report also constitutes our business plan for the current fiscal year in accordance with the [Coastal Ferry Services Contract](#). For additional information about forward-looking information and financial measures contained in this report, please see the advisory on page 80.

Our strategic plan is aligned with our purpose and values, which we refreshed to provide greater clarity and understanding of why we exist as an organization — both internally and externally — and how we ground our decisions.

Whether on vessels, at terminals or supporting behind the scenes, every employee at BC Ferries plays a critical role in bringing our purpose, values and strategy to life. Together, we are committed to building a ferry service we all can be proud of.

About BC Ferries

For more than six decades, BC Ferries has been serving customers, connecting communities, moving essential goods, supporting tourism and strengthening the economy.

From our early beginnings with just two vessels operating on a single route, today we have grown to be one of the largest and most complex ferry systems in the world.

During fiscal 2026, we transported a record-setting number of people and vehicles and goods — and those numbers continue to grow. As we look to the future, we are focused on creating a resilient, reliable and affordable ferry service.

37**vessels****25****routes****47****terminals**

spread over
1,600 km of coastline

5,400⁺**employees**

IN FISCAL 2026**23.3M****customers****10.0M****vehicles****197,000⁺****sailings**

about 542 each day

Learn more about us

BC Ferries is an independent, regulated ferry service provider operating in the public interest under the *Coastal Ferry Services Contract*, the *Coastal Ferry Act*, and the oversight of the British Columbia Ferries Commissioner.

Our Executive Team provides leadership over the operation of the ferry service. Collectively, they ensure ferry services continue to provide an essential transportation link for British Columbia, connecting communities and supporting the movement of vital goods and services. [Read their bios.](#)

The British Columbia Ferry Services Inc. Board of Directors (“BC Ferry Services Board”) are stewards of BC Ferries and set the strategic direction of the company. The BC Ferry Services Board oversees the conduct of the business and the performance of management, who are responsible for the day-to-day operations of the company, and by overseeing the identification and management of the material risks affecting the company. [Learn more.](#)

The B.C. Ferry Authority is established and governed by the [Coastal Ferry Act](#). The Authority is responsible for overseeing the strategic direction of BC Ferries in support of the public interest, appointing the BC Ferry Services Board and for establishing compensation plans for the Directors and Executives of BC Ferries. [Learn more.](#)

The British Columbia Ferries Commissioner is an independent regulator that oversees BC’s coastal ferry operators, including BC Ferries. The regulator’s role is to balance the interests of ferry users and taxpayers with the financial sustainability of the ferry operator. Their primary responsibility is to regulate fares by setting the price cap and to approve major capital expenditures. [Learn more.](#)

Visit our website for more information:

[Our leadership and governance](#)

[Our fleet and routes](#)

[BC Ferries by the numbers](#)



Photo: Northern Expedition, Inside Passage

OUR PURPOSE

**We sail to serve
and connect the
people and the
coast of BC.**

**We sail
for you**

Our purpose

Our purpose is a clear, simple articulation of why we exist as an organization, our commitment to the essential service we provide, and why our work matters collectively. It puts people — passengers, communities and employees — at the centre of our ferry system.

Our values describe how we live that purpose every day and highlight what is most important to us. Together, our purpose and values guide our decisions, our behaviours and shape who we are as a ferry service.

OUR VALUES

Safety first, safety always

We put the safety of our customers and each other at the heart of everything we do, every day.

All together as one

We're inclusive, respectful and accountable to each other, because everyone belongs here.

In service, today and tomorrow

We serve with humility and pride, learning every day to serve better.

Local commitment

We commit to being good neighbours, nurturing respectful relationships with First Nations, and acting with care to protect our coastal waters and communities.

Together, our values build the acronym **S.A.I.L.**, making them easy to remember and apply every day.

Our strategic goals

The foundation of everything we do:

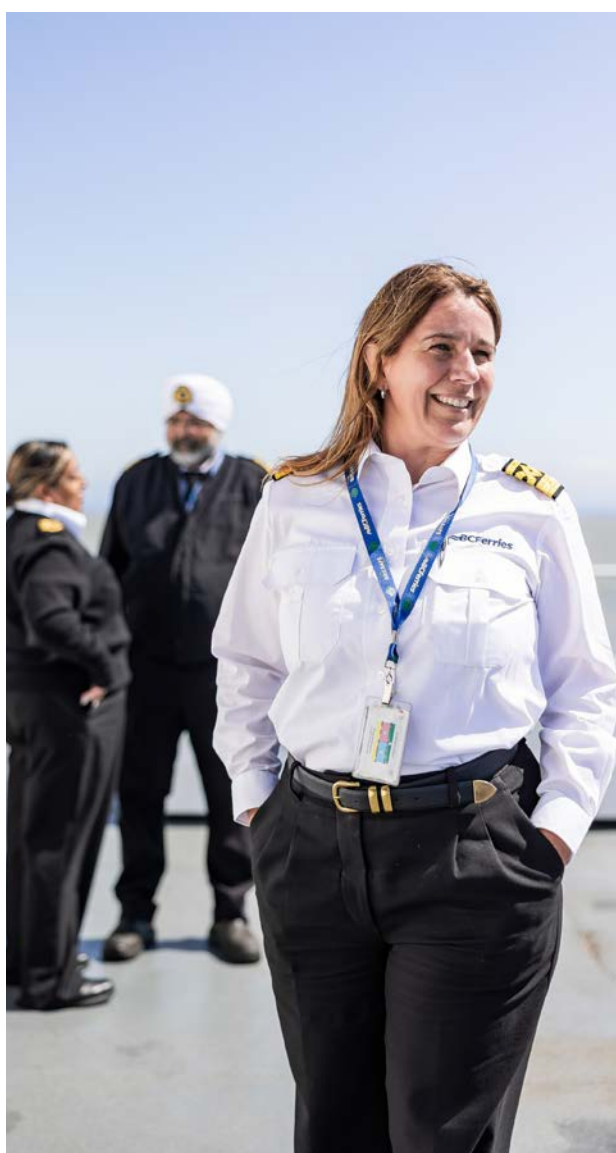
**Deliver day-to-day
operational excellence**

Our key areas of focus:

-
- 1** Renew and modernize our critical assets
 - 2** Invest in our team
 - 3** Achieve financial sustainability
 - 4** Build trust and advance reconciliation
 - 5** Champion end-to-end customer experience
-

Our commitment to operational excellence

Delivering day-to-day operational excellence is central to providing safe, reliable and affordable service to the people and communities we serve.



Operational excellence means doing the basics well — in every role, on every sailing, every day. It requires upholding the highest safety standards, strong day-to-day operations and customer experience, and the tools and support our people need to do their jobs effectively.

At its core, BC Ferries provides an essential public service, and our operations are central to what our customers expect. Each day, we move thousands of passengers and vehicles on our 25 routes through the expertise and hard work of our people — whether on vessels, in terminals or behind the scenes. Most of our workforce holds operational roles, including our frontline teams who interact with and support our customers daily, putting safety first in everything we do.

We have clear performance indicators — including on-time performance, cancellations, and customer satisfaction — that help us understand how we're doing and where we can improve. Ultimately, we can't evolve our organization without keeping a primary focus on the service we deliver, and that's why a commitment to operational excellence comes before everything else.

This focus on operational excellence also guided our decisions in where we can further strengthen our foundation, and the opportunities that exist to transform the company and deliver necessary improvements with an eye to the future.

Our key areas of focus

Our five strategic goals are aligned to our purpose and values, support our commitment to operational excellence, and help advance the long-term direction set out in *Charting the Course*, our 25-year vision for the future of coastal ferry service in British Columbia, while preparing us for what's ahead.

Through our strategic planning process, we have identified key areas to create value for our customers, people and the communities we serve. They indicate where we are investing our time, effort and resources through the current and next performance terms, PT6 (April 1, 2024 to March 31, 2028) and PT7 (April 1, 2028 to March 31, 2032).

Our *strategic plan* will continue to evolve in an ever-changing environment, and will be reviewed and adjusted, as needed. We will report on the progress we've made on our strategic plan annually.

With our strategic plan, we are being intentional about what matters most in the current context of our ferry service, recognizing the need to balance financial constraints while investing in our future. Built from conversations, insights and collaboration across every part of our organization, the plan acknowledges that operational excellence is at the core of everything we do and captures the steps needed to strengthen our ferry system's longer-term viability.



Charting the Course

Our strategic plan helps advance the objectives identified in *Charting the Course*, a long-term vision for the coastal ferry system in BC. *Charting the Course* offers a public interest-led roadmap for providing efficient, affordable and reliable ferry service, and supports shorter-term operational planning by grounding decisions in a shared 25-year vision.

The *Charting the Course* planning framework was developed through the joint leadership of the B.C. Ferry Authority Board and the BC Ferry Services Board, using interest-holder insights to shape a vision for a sustainable, resilient and forward-thinking coastal ferry service. Published in September 2025, the plan highlights public interests and guides future planning and investment over the coming decades.



Photo: Queen of Cumberland

Fiscal 2026

Year at a glance

23.3M

customers

up from 22.7 million in fiscal 2025

10.0M

vehicles

up from 9.7 million in fiscal 2025

86.1%

on-time performance

percentage of sailings departing within 10 mins of scheduled departure time, up from 84.0% year-over-year

197,809

sailings

up from 196,465 in fiscal 2025

91,275

round trips

2,690 more than the annual number contractually required and 590 more than the prior year

67.9%

vehicle capacity
utilization system wide

up from 66.6% year-over-year

\$76.5M

in food and retail
revenue (after costs)

up from \$73.3 million in fiscal 2025

Deliver on operational excellence

In fiscal 2026, we remained focused on meeting our core commitments — serving and connecting people and communities across coastal BC — while responding to growing demands across our network. We carried more passengers and vehicles, delivered more sailings, and continued to improve our on-time performance, all while managing the ongoing challenges associated with an aging fleet and terminal assets.

Operational excellence is embedded in all aspects of our work. While this section shares highlights on our performance around safety, reliability, affordability and reducing our environmental impact, these themes are also reflected in other sections of this report.



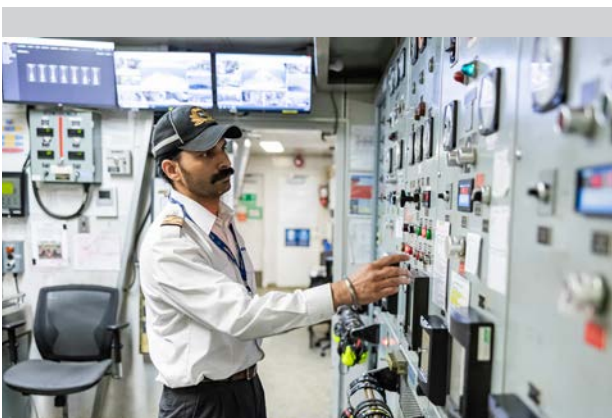
Photo: Telegraph Harbour Terminal

Safety at BC Ferries

In fiscal 2026, safety remained a core consideration in how BC Ferries planned work, trained crews and operated the ferry system — guiding decisions across our operations. Through established programs such as SailSafe, bridge and rescue boat simulator training, and targeted safety and operational training, we focused on maintaining critical skills and reinforcing safe decision making across the organization.

Over the year, this foundation was reflected both in moments of excellence, as well as in situations that reinforced the importance of vigilance and continuous improvement. Our crews demonstrated professionalism, preparedness and teamwork under challenging conditions, responding to emergency situations at sea, including overboard rescue operations on back-to-back days. We also experienced a significant near-miss incident involving the *Northern Adventure* in March 2026. Following the incident, a joint union-management operational safety review was initiated to inform recommendations that will strengthen safety practices across the organization. Findings from the review are expected in early 2027.

Learning from operational events helps us maintain a steadfast focus on safety, continually reinforcing our responsibility to provide safe and reliable service to our passengers, our people and the communities we serve.



Fiscal 2026

19
passenger injuries

Unchanged from fiscal 2025

Passenger Safety Index (PSI) improved this year to 0.82 from 0.84 the previous fiscal, as we safely transported higher volumes of passengers with no increase in injuries, resulting in a drop in the PSI.

+9%
employee time
loss injuries

Compared to fiscal 2025

A total of 219 time-loss incidents were accepted by WorkSafeBC compared to 201 in the prior year. Between fiscal 2025 and fiscal 2026, the cumulative days lost due to all employee injury claims increased by 12% from 8,404 to 9,433 days. These figures are a result of time loss injuries in both fiscal 2026 and continuing time loss injuries from fiscal 2025.

What's ahead: Safety at BC Ferries

We will continue to strengthen our safety systems, practices and culture by applying lessons learned from operational incidents to enhance safety for our customers and crews.

A key focus will be modernizing our Safety Management System to support continuous improvement, adaptability and long-term sustainability. We will continue investigating accidents and near misses, using learnings gathered to strengthen our safety practices. To further our proactive approach, we will expand the use of leading safety indicators to better identify and manage risks before incidents occur. We will also enhance internal tracking and oversight to ensure risks are effectively monitored across the organization. By fostering a strong reporting culture, we will support timely action, accountability and continuous learning, helping address risks earlier and more consistently across vessels, terminals and shore-based operations.

Supporting the overall health and well-being of our people remains central to our safety approach. We will continue to strengthen our support of mental

well-being, using the Mental Health Commission of Canada's framework to guide our efforts. We will further refine our processes for supporting employees through illness and injury, and strengthen early intervention practices to support recovery, safe return to work and positive employee outcomes. To reduce employee injuries, we will expand targeted injury prevention efforts focused on identifying high-risk work activities, addressing common risks and helping to reduce workplace injuries before they occur.

We are also reviewing and expanding security measures to enhance both personal and operational safety, including initiatives focused on reducing workplace violence and creating safer environments for employees and customers. This includes advancing coordinated security planning in preparation for major events, including closer collaboration with law enforcement and transportation partners, enhanced monitoring, and increased security presence to support safe, reliable operations during periods of higher passenger volumes.

Supporting emergency responses

In the past year, our crews assisted local emergency partners with a variety of emergency responses.

15

marine emergencies

in partnership with the Canadian Coast Guard

99

sailings

accommodating BC Ambulance Service or emergency vehicles, including 57 additional sailings with 21 after-hours callouts

1,127

customer illness / injuries

supported by our people

Lifesaving Society Award

BC Ferries recognized for swift water rescue at Denman Island

In 2026, BC Ferries was once again honoured with a *Water Safety Excellence Award* from the Lifesaving Society of BC & Yukon, this time recognizing the swift actions of our crew during a serious water rescue at the Denman Island West terminal.

On the morning of November 15, 2024, a pickup truck lost control on the hill leading to the terminal and plunged through a shore railing into the water. Crew members from the *Baynes Sound Connector* — Master Gary Moul, Chief Officer Brice Daniels and deckhands Kazumi Kobayashi and Grant Czy — were in the middle of loading when the incident occurred. They responded

immediately, assisting one occupant who had climbed onto the vehicle's roof and bringing an individual still inside the sinking vehicle safely ashore.

On March 28, 2026, Kazumi Kobayashi accepted the Water Safety Excellence Award on behalf of BC Ferries at the Lifesaving Society's 114th Annual Commonwealth Awards for Honour & Rescue.

This is the second consecutive year BC Ferries has received this recognition from the Lifesaving Society, reflecting the professionalism, training and teamwork demonstrated by crews across the fleet in responding to marine emergencies.



Photo: Kazumi Kobayashi, BC Ferries Deckhand, accepting the Water Safety Excellence Award on behalf of the team, joined by Senior Captain, Michelle Letourneau.

Reliability & affordability

Service reliability

In fiscal 2026, BC Ferries continued to focus on providing a ferry service that customers can count on. For many people and communities, ferries are a regular part of daily life, and reliable service matters on every sailing.

Running a large ferry system that moves more than 23.3 million passengers and nearly 10 million vehicles each year requires careful planning, coordination and maintenance.

Sailing cancellations

Last year, we saw a significant drop in overall sailing cancellations, decreasing by 49% year-over-year (1,432 in fiscal 2026 vs. 2,809 in fiscal 2025).

Vessel reliability

29 of our 37 vessels operated at or above 99.9% reliability, a level considered world-class. Fleet-wide reliability measured closely behind at 99.72%.

Technical cancellations

Technical cancellations due to mechanical issues with vessel or terminal assets dropped by 42% year-over-year.

Overall, fiscal 2026 was a strong year for reliability and availability. These improvements reflect stronger fleet and terminal availability and coordinated maintenance and operational efforts across the system. Despite these improvements and the expertise and dedication of our technical teams, the increasing complexity of maintaining aging vessels and terminal infrastructure, as well as the lack of relief vessels, continues to put pressure on system reliability.

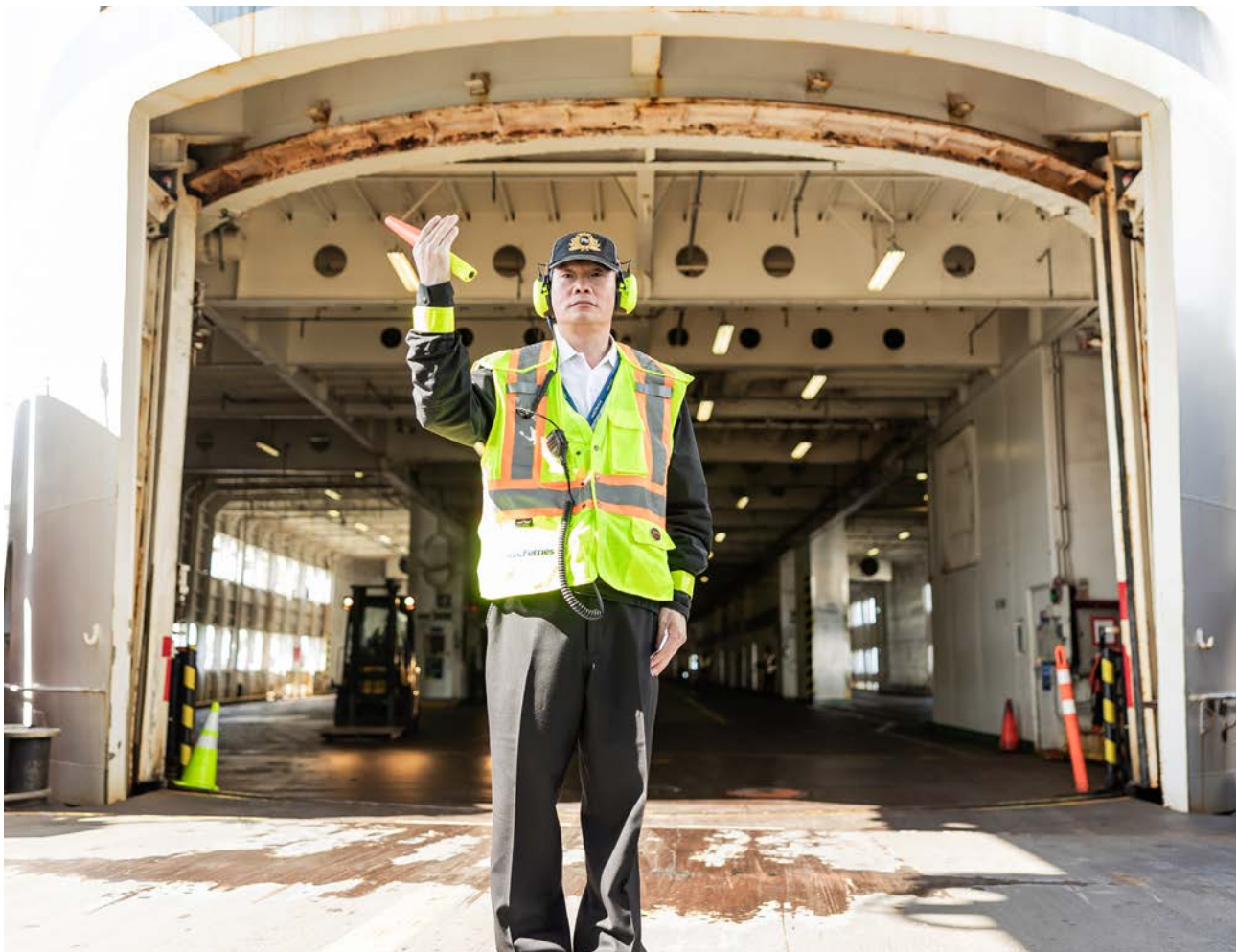
On-time performance and vessel capacity

On-time performance is influenced by many factors, including efficient loading and unloading and reliable terminal and fleet assets. In fiscal 2026, our operations and engineering teams worked together to support stronger performance, with 86.1% of sailings departing within 10 minutes of their scheduled departure, above our target of 83.5% and an improvement from 84.0% in fiscal 2025.

A key driver of improved on-time performance was enhancements to operational practices on major routes, including our busiest corridors. On Route 1 (Tsawwassen-Swartz Bay), Route 2 (Horseshoe Bay-Departure Bay) and Route 30 (Tsawwassen-Duke Point), on-time performance increased 10.5% year-over-year following changes in loading

practices. On Route 3 (Horseshoe Bay-Langdale), performance went up 16% year-over-year due to the advance booking system implemented for travel from Horseshoe Bay to Departure Bay, which has reduced congestion at the Horseshoe Bay terminal.

We also took targeted actions to increase capacity and flexibility where possible. This includes securing regulatory approval ahead of the 2025 peak season to carry additional foot passengers to and from Bowen Island during high-demand periods. On Route 3, we continued to operate two-ship service during peak travel periods and extended that service into the shoulder seasons during fiscal 2026, providing added capacity at key times of the year.



Supporting affordability with Saver fares

In fiscal 2026, we continued to expand access to discounted fare options to our customers through Saver fares. We increased the number of Saver fares spaces by 30%, offering a more affordable option for customers who can travel during off-peak times. Approximately 1.4 million Saver fares were sold for sailings between Metro Vancouver and Vancouver Island last year, representing 32% of total vehicles travelling on those routes, up from 24% in fiscal 2025.

By encouraging vehicle-based customers to book ahead and travel on sailings with more available capacity, Saver fares also help spread out demand more evenly across the system, optimize the use of limited capacity and reduce congestion on major routes during peak periods. Nonetheless, vehicle demand continues to exceed available capacity during peak periods. In July and August 2025, sailings on Routes 1, 2 and 30 averaged 92% full capacity, leaving limited flexibility to shift traffic away from peak

sailings. When unplanned service disruptions occur, a near-full system further limits our ability to absorb displaced traffic, even with demand-management tools in place. While discounted fares and incentives have successfully shifted some demand, continued traffic growth reinforces the importance of using available capacity as efficiently and effectively as possible across the system.

Saver fares are the most affordable fare option. We also offer discounted fares through the BC Ferries Experience™ Card, with savings between 13% and 40% on personal vehicles and passenger fares on select routes.

As we manage the realities of an aging fleet and increasing demand, we will continue to offer targeted fare options that support affordability for customers while helping make the best use of available capacity and maintaining a reliable travel experience.

Did you know?

Providing increased service with a higher number of terminal and vessel assets nearing the end of their service life puts increased pressure on service reliability. It also requires extensive maintenance of our critical assets to reduce the risk of operational disruptions, such as cancelled sailings.

Between fiscal 2018 and fiscal 2025, maintenance expenditures increased 74.1%, an average of 8.2% per year.

To align with regulated fare price caps and manage escalating construction and procurement costs, investment in replacement of vessels and terminal assets has been deferred. As a result, critical assets are remaining in service longer and require more frequent, complex and costly maintenance interventions to remain operational. Rising maintenance needs can lead to higher labour and material costs, emergency repairs and increased reliability risks.



What's ahead: Reliability and affordability

In fiscal 2027, BC Ferries will continue to maintain a safe, reliable ferry service. Our focus will remain on protecting service reliability through essential vessel and terminal maintenance, disciplined operational planning, and targeted investments that extend the life of critical assets.

At the same time, customer affordability is expected to remain an important consideration as BC Ferries manages rising operating and maintenance costs.

We will continue to support affordability and make better use of available capacity through Saver fares, which provide lower-cost options for customers who can book in advance and travel at less busy times. These targeted fare options give customers travelling between Vancouver Island and Metro Vancouver, the Sunshine Coast and Horseshoe Bay, and Comox and Powell River more choice and control over travel costs, while helping make better use of capacity across the fleet.



Supporting record traffic



In fiscal 2026, we travelled with record numbers of passengers and vehicles once again, particularly on routes between Metro Vancouver and Vancouver Island. This increase in traffic is part of an ongoing trend in higher demand on the coastal ferry system in BC.

In fiscal 2026:

- We delivered 197,809 sailings (196,465 in fiscal 2025)
- We carried 23.3 million passengers (22.7 million in fiscal 2025)
- We moved 10.0 million vehicles (9.7 million in fiscal 2025)

With demand continuing to grow, a major focus this past year was using the available capacity as effectively as possible while giving customers more certainty and more tools to plan.

We did this by:

- Adjusting schedules and adding sailings, where possible
- Expanding the amount of space that can be booked ahead on a number of routes
- Expanded Saver fares to shift demand to less busy sailings

Together, these actions provided customers planning their ferry journeys with us greater flexibility in travel times, increased trip certainty with more bookable spaces, and offered more affordable travel options.

Preparing for peak season

Each year, we prepare for peak periods, including summer and major events, months in advance. From completing critical refits and adding sailings to hiring seasonal staff and enhancing the customer experience, our teams work to ensure every available vessel is ready to support safe and reliable service along the coast.

From June to September 2025, we carried 10.3 million passengers and 4.1 million vehicles, representing 44% of our annual passengers and 41% of our annual vehicles carried.

Here are some ways we prepared for peak season last year (summer 2025):

- Boosted our regular schedule with over 1,000 extra round trips across major routes to accommodate rising demand and offer more travel options.
- Added a new one-way 4:30PM sailing from Tsawwassen to Departure Bay, to enhance service to customers and scheduling flexibility.
- Secured regulatory approval for the *Queen of Capilano* (Horseshoe Bay-Bowen Island) to carry 150 extra foot passengers, when necessary, boosting peak sailing capacity to 600 passengers and crew.
- Hired 550+ seasonal staff to support the increased demand, supporting scheduling and coverage for our crews and a smoother customer experience both at terminals and on board.
- Offered 350,000+ Saver fare spaces to encourage off-peak travel, providing more affordable travel options for customers while optimizing fleet utilization.
- Enhanced sailing schedules to better match demand, ensuring reliable service and minimizing congestion during peak times.

Despite our many efforts to ensure a smooth peak season, service disruptions can occur. As our vessels and terminal infrastructure continue to age, the risk of unplanned issues increases. At the same time, high demand for service leaves limited flexibility in the system when disruptions happen.

Our dedicated teams are committed to getting things back on track when those situations arise. With robust operational recovery plans in place, we work together to restore service as quickly as possible and provide clear, timely and consistent information — always putting the safety of our customers, crews and the communities we serve first.



Reducing our impact

Over the past year, BC Ferries continued to focus on practical, system-wide actions to reduce our impact on the environment and advance climate action.

Mitigating our impact on the marine environment

Reducing underwater radiated noise remains a key priority due to it being one of the three primary threats to Southern Resident Killer Whales. Since 2015, we have measured and analyzed vessel noise, taking a long-term, data-driven approach that informs how vessels are operated, maintained and modified in refits and designed. This work supports our efforts to decrease our overall noise contribution in the Salish Sea, in addition to broader efforts undertaken by the Vancouver Fraser Port Authority's Enhancing Cetacean Habitat and Observation (ECHO), to decrease the physical and acoustic disturbance on at-risk whales from commercial shipping. We continued to strengthen spill prevention and response capabilities across the organization through expanded training, improved preparedness, and targeted risk reduction initiatives.

Over the past year, we established and rolled out an Oil Spill Response Training Program across more than 3,100 frontline positions, significantly expanding response capability across the organization. The program supports us in meeting our environmental and regulatory obligations by giving frontline crews the practical skills to identify, report, contain and manage spills more effectively. This strengthens early intervention, reduces the potential for environmental harm and service disruption, and lowers regulatory and financial exposure associated with spill incidents. The training has been reinforced through expanded practical drills and the refresh and standardization of response equipment across vessels, terminals and worksites. Together, these measures reduce the risks and impacts associated with spills while building a more consistent, cost-effective and resilient spill response capability across the organization.



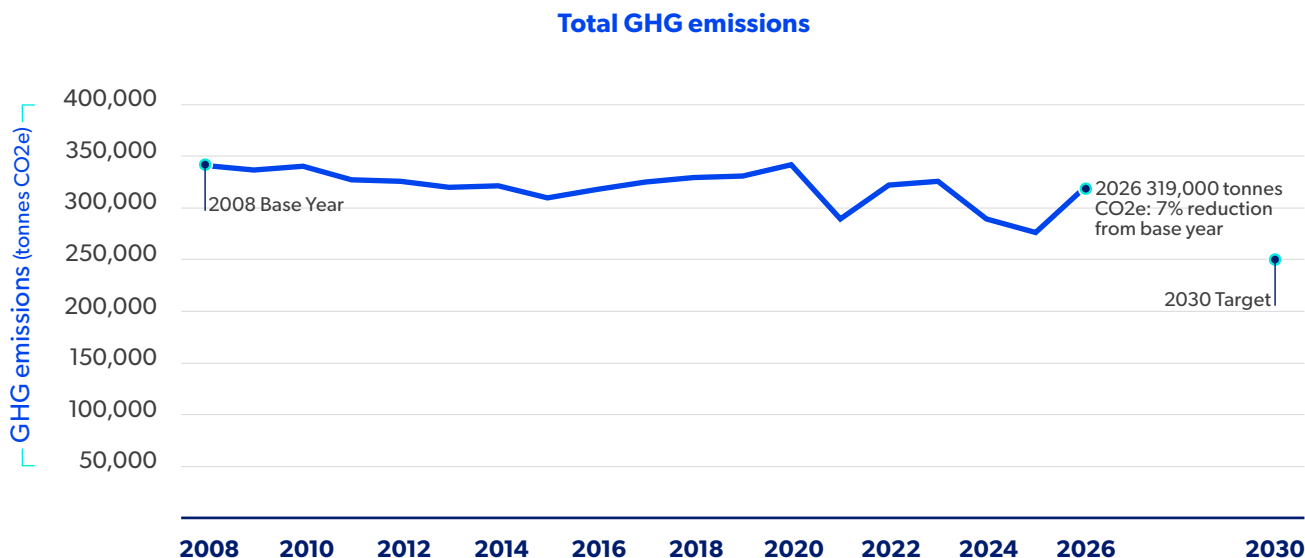
Did you know?

BC Ferries was the first ferry operator in Canada to develop a long-term strategy focused on managing underwater radiated noise from its fleet.

Climate action and emission reduction

Fuel use from vessels accounts for more than 98% of BC Ferries' greenhouse gas (GHG) emissions, making fleet operations the primary focus of climate action. In 2022, we committed toward the Province's CleanBC target of 27% by 2030 from 2008 levels. In fiscal 2026, our total GHG emissions were 6% below our 2008 baseline. However, compared to fiscal 2025, our total GHG emissions increased by 16%, primarily due to hydrogenation-derived renewable diesel not being compatible as a drop-in fuel for our C-Class vessels.

Because of this, we adjusted our biofuel strategy to balance environmental benefits with service reliability. We continued to build on the encouraging results of our biodiesel program aboard the *Queen of Oak Bay* and explore biofuel blends that can be used in our existing fleet to reduce emissions.



Through our [Clean Futures Plan](#), we are actively reducing GHG emissions from our vessels by using renewable and alternative fuels, advancing electrification, improving operational efficiencies, adopting advanced technologies and modernizing our fleet.

This year, shore-based charging planning and design development continued to support the evolving energy needs of our fleet, including future electric and hybrid-electric vessels. As part of this work,

investments in infrastructure to support shore-based charging (high-power charging from the electrical grid for future electric and hybrid-electric vessels) are advancing. Today, vessels connect to shore power at 27 BC Ferries sites, enabling them to draw electricity from the grid while berthed during non-sailing periods. Together, these shore power and charging infrastructure systems aim to reduce reliance on onboard generation, lower fuel consumption and associated GHG emissions, and serve as a key action in our decarbonization road map.

Scope 1 and 2 GHG emissions

	Year in review				Target and progress	
	Base Year (2008)	2025	2026	Change year-over-year	2030	% Reduction from Base Year
Scope 1 GHG emissions (1,000 tonnes CO ₂ e)						
Direct GHG emissions from operations, such as emissions associated with fuel combustion in vessels and vehicles	337,200	271,700	315,100	16%	27%	6%
Scope 2 GHG emissions (1,000 tonnes CO ₂ e)						
Indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling, such as shore power for vessels and office electric heating	600	800	600	-15%	N/A	N/A

Invasive species management

In fiscal 2026, BC Ferries advanced work to identify and manage invasive plants and species across terminals, helping reduce ecological impacts across operations. This work supports *Charting the Course* objectives to develop an invasive species management strategy, with a multi-year, phased approach underway to guide how invasive noxious plant species are managed.

Baseline surveys, conducted with external specialists, are building a clearer picture of where invasive species are present. Targeted removal and control efforts of noxious species are underway at surveyed locations to limit the spread of invasive plants and reduce further impacts. This work is guided by provincial noxious weed regulations and regional by-laws.

Green Marine

Green Marine is an environmental certification program in North America's maritime industry. This voluntary initiative helps us benchmark our environmental performance. Our continued participation with this program is helping create a culture of continuous improvement that exceeds environmental regulatory compliance standards.

We are Green Marine certified and have been a member since 2015. To receive certification, we must assess our environmental performance annually, submit to an external verification process every two years, agree to publish results, and commit to a process of continual improvement. Green Marine targets key environmental issues related to emissions, waste management, underwater noise, community relations and more. BC Ferries is Green Marine certified as a shipyard, ship owner and terminal operator.

Fiscal 2026 achievements

We are proud to receive the following recognition for improving the environmental performance of our operations at sea:

- **2025 Blue Circle Award for the EcoAction Program:** For the ninth consecutive year, the Vancouver Fraser Port Authority recognized BC Ferries as an operator that has invested in technologies and practices that mitigate our impacts, including reducing our underwater radiated noise and emissions. BC Ferries also received a *Special Mention Award* for adopting a propulsion system, as part of our fleet renewal, that reduces underwater-radiated noise at low speeds. This award recognizes organizations demonstrating early adoption of innovative actions or technologies.
- **2025 Green Wave Award:** For the eighth consecutive year, the Prince Rupert Port Authority recognized BC Ferries for voluntary adoption of sustainable practices, such as reducing carbon emissions and mitigating underwater noise.

In fiscal 2026, 30 of our 47 terminals, eight of our 37 vessels, and one of our five terminal maintenance yards were audited to ensure compliance with environmental regulations and best management practices. We also completed waste audits at three sites and are working towards developing a waste reduction plan with achievable targets and actions to increase the materials we are diverting from the landfill.



Photo: Queen of Oak Bay



Photo: Salish Eagle, Long Harbour Terminal

What's ahead: Reducing our impact on the environment

We are taking additional measures to mitigate our impact on marine life by introducing whale detection technology on two vessels in fiscal 2027. Detection devices would be initially trialed on our northern route vessels, with consideration to expand to our other routes.

As part of ongoing equipment and procedure modernization efforts, BC Ferries will begin trialing a new containment boom system in fiscal 2027 to strengthen on-water spill response capability.

Containment booms are floating barriers used to help control and contain oil spills on the water. While BC Ferries already maintains containment boom systems across the network, past incidents have demonstrated opportunities to improve deployment effectiveness and containment reliability during larger spill events. The new system is designed to connect directly to vessels and create a watertight seal against the hull, helping to contain spills closer to the source, limit the spread of pollutants in the marine environment, and improve overall recovery effectiveness. This initiative forms part of BC Ferries' broader efforts to advance spill response best practices and modernize environmental response capability across terminals and vessels.

As we look ahead, electrification will remain a key part of how we work to reduce our environmental impact while maintaining reliable and affordable service. We plan to electrify two routes — Nanaimo Harbour-Gabriola Island and Campbell River-Quadra Island — after four new Island Class vessels enter service. These new vessels include enhancements to support full battery-electric operation, such as larger energy storage systems, auxiliary systems and upgraded electrical connections. These vessels will retain onboard diesel engines for flexibility on routes without shore charging infrastructure.

At the same time, we are finalizing the design of the new Summit Class vessels, which will use hybrid-electric propulsion systems that combine batteries and diesel. This approach is intended to lower emissions today while providing flexibility as charging infrastructure continues to develop. Alongside this work, we are assessing the feasibility of electrification options to support the Summit Class in the future.

Biofuels will play an important short-term role in reducing our emissions, because they can be used in our existing vessels without major engine changes. We will continue to explore compatible biofuels and blends that can help lower GHG emissions.

Together, these steps reflect a practical, phased approach to reducing environmental impacts as we renew and modernize the ferry system.





Photo: Island Nagalis

Goal 1

Renew and modernize

Objective: To revitalize our terminals and fleet to deliver safe, reliable and efficient operations that reduce maintenance costs and environmental impacts while meeting future capacity needs.



As an essential transportation link along the coast of British Columbia, our ferry system plays a vital role in daily life for the people and communities we serve. Reliability, affordability and long-term sustainability are foundational to this service — and they are increasingly under pressure as customer demand grows and our fleet and terminal assets continue to age.

Our investment decisions are guided by a simple but critical responsibility: keeping customers and crew safe

and moving today, while maintaining a ferry system that is affordable and financially sustainable over the long term. To deliver on this, we are revitalizing our terminals, renewing our fleet capacity, investing in our ship repair and maintenance facility to meet current needs and future demand, while strengthening the systems that support safe, reliable operations.

In fiscal 2026, we invested approximately \$437 million in capital expenditures net of funding, up from \$277 million in fiscal 2025, including:

- **\$279 million** in vessel major overhauls and inspection, upgrades and new vessel construction
- **\$136 million** in terminal and fleet maintenance facility-related improvements
- **\$22 million** in information technology and operations systems related improvements

In addition to capital investments, we spent \$150 million in annual maintenance here in BC, relating primarily to our vessel and terminal assets.

We continue to focus our efforts where they will have the greatest impact — addressing critical terminal infrastructure in poor condition, progressing fleet renewal and vessel refits, and improving asset reliability through data-driven, digital solutions. At the same time, we are modernizing our enterprise data and analytics capabilities to help inform decision making and improve inventory and lifecycle management to reduce costs and extend the useful life of our assets.

Together, these investments support service reliability, improve safety and performance, and help position the ferry system to meet the needs of coastal communities for generations to come.



Photo: Horseshoe Bay Terminal

Maintaining and modernizing our infrastructure in fiscal 2026

Maintaining safe and reliable ferry service in the face of growing demand and aging assets requires careful coordination across fleet, terminals and supporting systems. Over the past year, we continued to manage an intensive program of refits, maintenance and renewal work — balancing immediate reliability needs with the groundwork required to introduce new vessels and modernize the system.

Fleet Renewal



Photo: Island K'ulut'a

Fiscal 2026 marked a major milestone in ongoing fleet renewal efforts. In March 2025, the BC Ferries Commissioner approved our plan to build four New Major Vessels (announced in May 2026 as the Summit Class), the largest capital procurement investment in the organization's history. The shipyard, China Merchants Shipbuilding Industry Group Co., Ltd., was selected through an open, global procurement process in June 2025. The Summit Class vessels are expected to reduce service disruptions related to mechanical failure, address capacity constraints, and improve overall system resilience.

Throughout the year, we worked with the shipyard on major vendor selection for the Summit Class vessels, including for the main engines, battery energy

storage and bridge navigation systems, and electrical integrator and propulsion systems. To support the scale and complexity of this work, BC Ferries formed a Fleet Renewal team in June 2025, creating a dedicated structure focused on the design, build and delivery of new vessels and enabling infrastructure. The first of these new vessels are expected to enter service in 2029, with all four anticipated to be operational by 2031.

In fiscal 2026, we launched our 10th Island Class vessel at the Damen Shipyards in Galați, Romania, marking the final vessel in this build phase and a major achievement for this multi-year fleet renewal program. One of the four newest Island Class vessels has since entered service, and the remaining vessels are expected to enter service progressively, with all four operational by early 2027. The Island Class vessels are battery-equipped ships, fitted with diesel-hybrid technology that makes them capable of full electric operations once shoreside charging infrastructure becomes available. The four new vessels are nearly identical to the six Island Class ferries currently in service. However, they include enhancements to support full battery-electric operation, such as larger energy storage systems, auxiliary systems and upgraded electrical connections. These vessels will retain onboard diesel engines for flexibility on routes without shore charging infrastructure.

The Island Class are also a key part of BC Ferries' ongoing work towards standardizing the fleet. By standardizing our vessel classes, we can reduce complexity and increase efficiency across our operations, making it easier to train crews, stock spare parts and assign vessels where they're needed most.



Photo: Queen of Oak Bay in drydock at Seaspan Shipyards, North Vancouver

Terminal and technology infrastructure

We continued to advance our plans and investments across our terminal network to prepare for new vessels and increased capacity.

At Heriot Bay and Whaletown terminals, preparation and marine infrastructure work continued to support the introduction of higher-capacity Island Class vessels, improving readiness while managing construction alongside ongoing service. We also completed work that reduces roadway congestion to create safer, easier access to the terminals for vehicles and walk-on passengers.

The Horseshoe Bay and Langdale Infrastructure Program advanced through planning and into early construction phases, with terminal operations continuing alongside these major upgrades. The multi-year program will modernize aging and essential infrastructure to improve safety, efficiency and reliability at one of the busiest terminals within our system.

Supporting this work, BC Ferries continued to improve the IT systems used to plan maintenance, manage assets and coordinate operations — recognizing that dependable service relies on both physical infrastructure and the systems behind it.

Fleet Maintenance Unit

Refit and maintenance activity remained a core focus, with significant work carried out through the Fleet Maintenance Unit (FMU) in Richmond.

Teams managed a complex refit season, scheduling inspections, upgrades and repairs within tight service windows and coordinating closely with operations to minimize customer impacts during peak travel periods. FMU teams supported an exceptionally busy refit season, with 20 of our 37 vessels completing

refit and capital projects in fiscal 2026 — and two additional refits completed in April and May 2026.

Notable work included the life extension and major dry docking of the *Queen of Surrey* and the three-quarter life capital upgrades and major dry docking for the *Queen of Cumberland*. This work included ramp decommissioning and removals, Right Angle Drive (RAD) exchange, main engine and turbocharger servicing, and switchboard maintenance.

Did you know?

Last year, we invested approximately \$150 million in annual maintenance in BC relating primarily to our vessel and terminal assets.

We have also invested over \$1 billion in the last 10 years at BC shipyards on dry-docking, refits, capital upgrades, repairs and maintenance. Much of this work happens behind the scenes, but its impact is felt across the organization and by our customers. Refit season enables crew to operate with confidence and supports the dependable service customers rely on, particularly during peak travel periods.

At its core, refit season is a testament to the expertise, coordination and commitment of our people — laying the groundwork for safe, reliable service and a more resilient fleet for the future.

Refit season

Each year, BC Ferries undertakes refit season, a complex and essential program that helps support safe, reliable service.

From fall through spring, vessels cycle through BC Ferries' FMU in Richmond as well as other local shipyards for extensive maintenance, inspections and upgrades that prepare the fleet for the peak season ahead. This work goes beyond routine upkeep. Under tight schedules and with multiple activities underway at once, teams complete thousands of planned work items to ensure vessels return to service safely, on time and ready for ongoing service delivery.

In a single refit season, more than half of BC Ferries' fleet may undergo maintenance or recertification, supported by the efforts of hundreds of employees and contractors. Those supporting include engineering teams, shipwrights, electricians, painters, welders and other trades, lifesaving and

rescue boat technicians, catering teams, project managers, production planners — and even underwater divers conducting hull surveys and minor repairs. Planned work activities include mechanical overhauls, structural repairs, painting, signage, upholstery, safety inspections and more.

This work is foundational to fleet reliability today, while also supporting longer-term goals around asset stewardship and modernization. Investments made during refit season help extend vessel life, improve performance, and ensure the fleet continues to meet regulatory, safety and operational standards as customer demand grows and vessels age.

Refits also represent a significant investment in BC's marine sector, supporting specialized skills, local shipyards and supply chains across the province.



Photo: Refit season at BC Ferries Fleet Maintenance Unit in Richmond, BC.

Terminal renewal

Heriot Bay and Whaletown

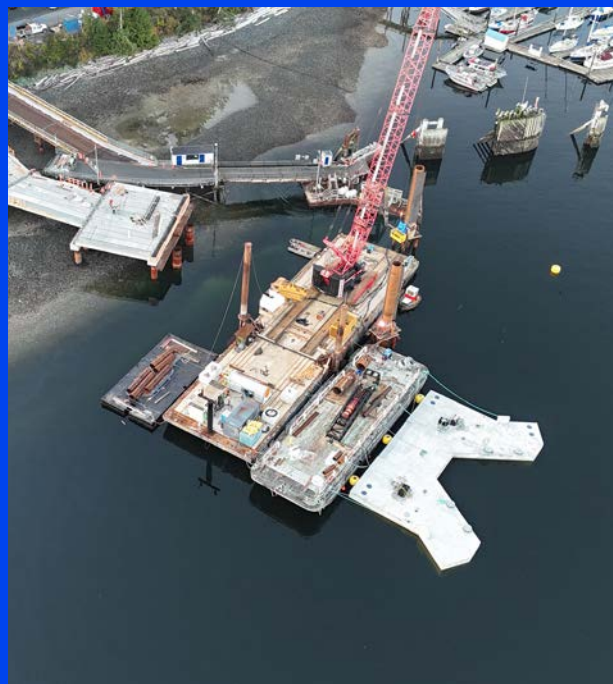
Heriot Bay and Whaletown terminals play a critical role in connecting the communities on Quadra Island and Cortes Island. In fiscal 2026, we made significant progress on major terminal upgrades at both terminals, renewing aging infrastructure that supports essential ferry service between the two communities.

The marine infrastructure at both terminals was nearing the end of service life. As populations on both islands grow, we want to ensure the terminals remain safe and easy to access for all members of the public.

Terminal upgrades focused on replacing marine terminal infrastructure to accommodate a newer, higher-capacity Island Class vessel and intended to help reduce roadway congestion to create safer, easier access to the terminals for vehicles and walk-on passengers.

The work included replacing aging berths and trestles with modernized marine structures, upgraded ramps and improved passenger facilities. Careful planning and coordination, along with strong engagement with the community and local First Nations, helped complete construction within a shortened closure window, supported by alternate service that was well received by the community.

With these upgrades, the Heriot Bay and Whaletown terminals are now able to accommodate the Island Class vessels, including Island Nagalis, which began service between Quadra and Cortes Island in summer 2026. The Island Class provide more than double the passenger and crew capacity of the previous vessel on this route and will nearly double the vehicle capacity from 26 to 47 vehicles.



New berths under construction at Heriot Bay and Whaletown



Horseshoe Bay

In fall 2025, major construction began at Horseshoe Bay terminal, as part of BC Ferries' long-term strategy to modernize its aging and essential infrastructure and meet the evolving needs of coastal communities.

Major construction activities took place over the past year, including the demolition of the elevated concrete holding area and the relocation of the terminal's traffic operation centre (control tower). These important initial steps were necessary to enable future construction stages to proceed safely and efficiently — and were completed successfully in tandem with regular day-to-day terminal operations.

During this first phase of work, vehicle space inside the terminal was reduced by approximately 25%, with overall vehicle space to remain below current levels for several years as construction progresses.

To accommodate the reduction in vehicle space at one of our busiest and most operationally complex terminals — a site challenged by its small footprint and lack of flexibility — all vehicles (including motorcycles) travelling from Horseshoe Bay to

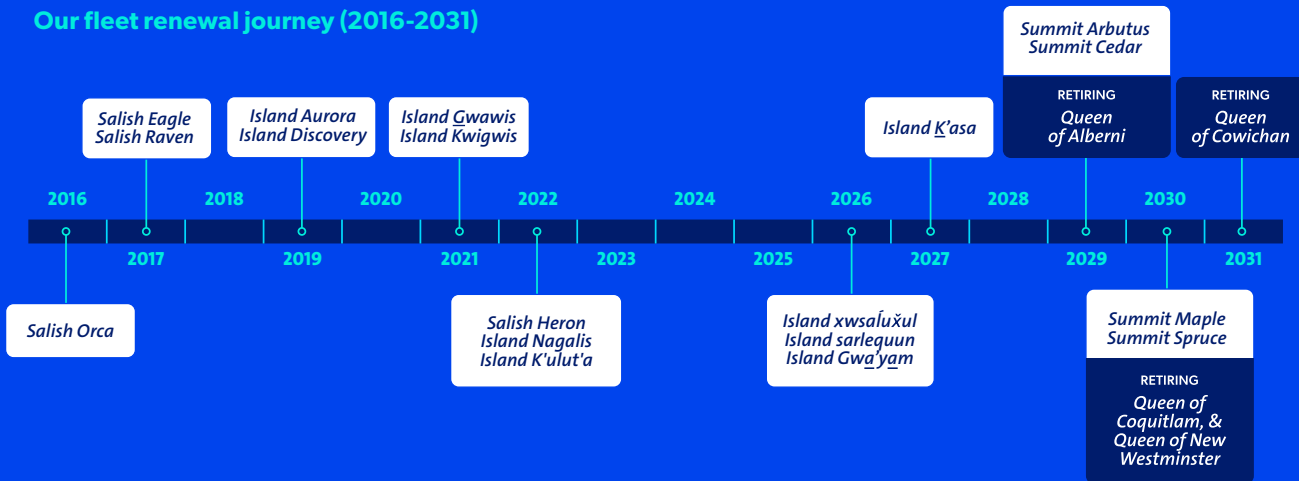
Departure Bay had to book and pay in advance from October 15, 2025 onwards.

These changes were necessary to manage terminal congestion and prevent highway backups, ensure the safety of our customers and crews, and protect access for those with a confirmed booking. Overall, customers found the travel certainty and decrease in wait times in pre-ticketing and staging areas positive outcomes resulting from the change.

By investing in targeted repairs and modernization at Horseshoe Bay, BC Ferries is addressing current operational pressures while preparing the terminal to meet future customer demand. These upgrades go beyond physical construction. They support a broader commitment to revitalizing terminals across the coast — ensuring that customers and crew can rely on safe, dependable infrastructure as BC Ferries continues to modernize its fleet and terminals for future coastal transportation.

In fiscal 2027, work at Horseshoe Bay terminal will shift to the Langdale terminal where the focus will be on extending the life of the primary operating berth.

Our fleet renewal journey (2016-2031)



What's ahead: Renew and modernize

Fleet Renewal

Looking ahead to fiscal 2027 and beyond, fleet renewal efforts will continue to focus on preparing the ferry system for the introduction of new vessels and increased capacity, while maintaining reliability across an aging fleet.

Work will continue to advance the Island Class program, with the four vessels in the current phase of shipbuilding for this class entering service between summer 2026 and early 2027. These include:

- *Island xwsa'uxul* and *Island sarlequun*: expected to start service by summer 2026 on Route 19 between Nanaimo Harbour and Gabriola Island.
- *Island Gwa'yam* and *Island K'asa*: expected to start service by early 2027 on Route 23 between Campbell River and Quadra Island.

These four vessels are designed for electric-ready operations, with charging infrastructure planned for these terminals to support full electrification.

The arrival of new Island Class vessels allows BC Ferries to redeploy others in its fleet. The *Island Gwawis* and *Island K'ulut'a* will provide two-ship service on Route 6 (Crofton-Vesuvius Bay), replacing the *Quinsam* and increasing daily round trips and vehicle capacity. The *Island Nagalis* went into service in summer 2026 on Route 24 (Quadra-Cortes Island), replacing the *Tachek* and increasing vehicle capacity from 26 to 47 and more than doubling passengers and crew capacity from 150 to 399. The *Island Kwigwis* will offer refit relief after being temporarily assigned to Route 23 (Campbell River-Quadra) until all four new vessels are introduced. Once all ten Island Class vessels are in service, they are expected to provide a 71% increase in vehicle capacity and a 135% increase in passenger capacity on the routes they serve, compared with the vessels being replaced — equivalent to nearly 200 additional vehicles and over 2,000 additional passengers.

Delivery of the Summit Class vessels will remain a key focus through fiscal 2027, with construction expected

to start in fall 2026. This phase is intended to set the foundation for vessel construction, including design decisions that support hybrid-electric propulsion and future electrification as infrastructure becomes available. Planning and coordination work will also

continue to align terminals, vessels and supporting systems ahead of delivery in later years, with the first of the four Summit Class vessels expected to enter service in 2029.

Terminal and technology infrastructure

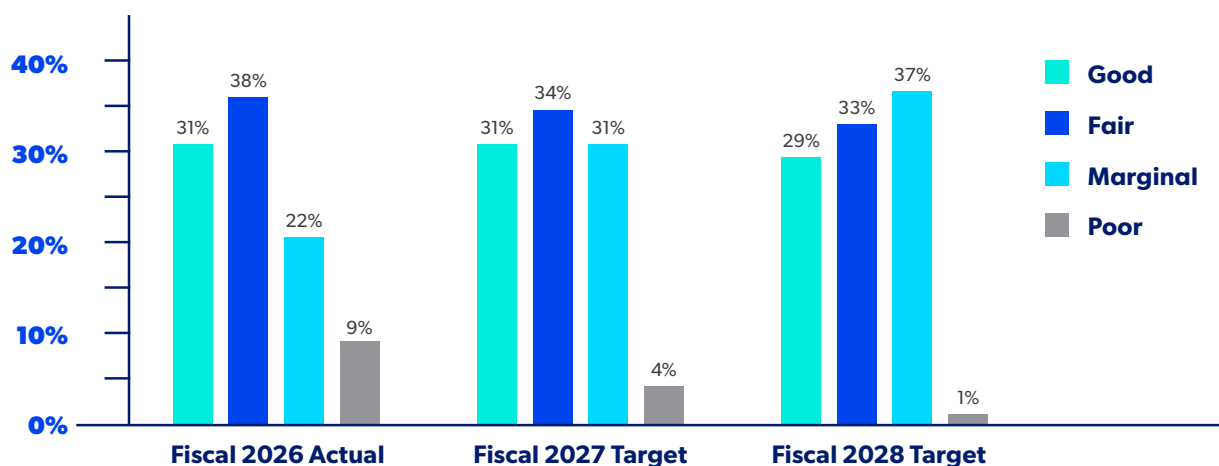
Looking ahead, we will continue to invest in critical terminal and technology infrastructure improvements to meet the current needs and future demand.

Within the remainder of this performance term and the next, we will continue restoring terminal infrastructure that is in poor condition and improve disaster preparedness at our terminals and sites. In fiscal 2027, we expect to complete significant overhauls of our berths at nine terminals. By the end of fiscal 2027, we aim to reduce the number of critical terminal assets in poor condition from 9% to 4%, with

a goal of 0% by the end of fiscal 2029.

On the technology side, we are modernizing our enterprise data and analytics capabilities and continuing the transition to cloud-based technologies across key systems. These investments will help improve how operational, maintenance and planning information is connected and used across the organization, enabling more proactive asset management, better inventory and lifecycle planning, more informed decision making, and improved reliability and efficiency across the ferry system.

Critical terminal and berth asset health projections



Fleet Maintenance Unit

The FMU Redevelopment Project continues to advance steadily, with major milestones achieved through the full replacement of all underground civil utilities and ongoing construction of the new multi-purpose mechanical and welding building. Construction has now progressed into the interior fit-out phase and remains on schedule for completion in late 2026.

Goal 2

Invest in our team

Objective: To attract, develop and retain a high-performing workforce that embodies our purpose and values.

Our ability to deliver an essential service to the coast of British Columbia depends on the expertise, dedication and teamwork of our people, who serve communities big and small across the ferry network.

To enable a successful workforce, we are committed to creating a safe, respectful and inclusive workplace where our people can thrive, develop and grow. As a global leader in marine transportation, having the right team with the right skills in place is essential for building a ferry

service that is equipped for today and tomorrow.

We are focused on investing in our people by strengthening skills and leadership capability, supporting well-being, and ensuring employees have the tools, training and systems they need to succeed in their roles. Continued investment in our workforce supports strong day-to-day operations, enhances the employee experience, and contributes directly to operational excellence and more reliable service for customers.

Key figures from fiscal 2026

766

new hires, including
550+ hired in peak season

98

seasonal staff remained as casuals
after 2025 peak season

25,526

personal training days

1.9%

decrease in turnover compared
to the prior year

0.4%

increase in the number of licensed
employees compared to the prior year

65

bridge simulation training events

8

newly designed
leadership courses rolled out

1,241

injury claims supported

The majority of our workforce — 77% — work in roles directly involved in delivering ferry service, including in terminals, onboard vessels and in maintenance facilities, and have had a total increase in wages of 16.55% since 2023. Senior leaders make up 1.4% of BC Ferries' total workforce, compared with an average of over 3% in other BC public sector, Crown or transportation sector organizations. The senior leader headcount has trended below the growth of the total workforce over the last five years,

and the non-unionized management headcount has remained steady at a ratio of 10:1 since 2021.

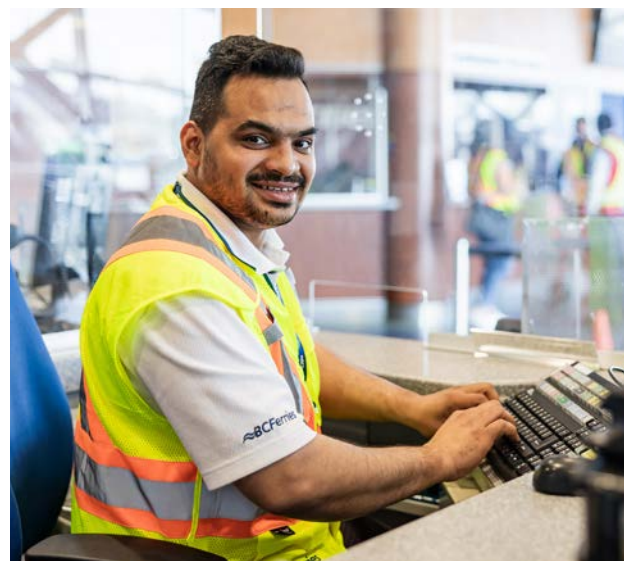
In 2026, we were once again recognized as one of *BC's Top Employers*. Reasons for our selection included our ongoing employee development including apprenticeships, formal mentoring and in-house training initiatives, as well as our health and retirement benefits offerings.

Recruitment and retention

We take a proactive, year-round approach to workforce planning to support safe and reliable ferry service across the coast of British Columbia.

Planning for the next peak operating season begins in the fall, shortly after the previous peak season concludes. Starting in October, cross-functional teams from across the organization — including recruitment, operations, workforce planning, scheduling services and operational training — come together to align hiring, training and resourcing plans for the year ahead. This early and coordinated planning supports operational readiness and helps improve the employee experience through clearer timelines and expectations.

Recruitment activities ramp up in the winter months. Beginning in January, the recruitment team typically hosts multiple in-person hiring events and conducts interviews across coastal communities throughout the province. These efforts focus on building local workforces while meeting the operational demands of peak travel periods. Community outreach also includes participation in career fairs, First Nations employment events, WorkBC presentations and other locally focused engagement opportunities. Toward the end of January, the recruitment team visits four provinces and interviews hundreds of students studying navigation or engineering. In fiscal 2026, the team visited the British Columbia Institute of Technology in Vancouver, as well as the Georgian College Centre for Marine Training and Research



in Owen Sound, Ontario, the Institut Maritime du Quebec in Rimouski, Quebec, and the Marine Institute at Memorial University of Newfoundland in St. John's, Newfoundland.

To support longer-term workforce needs, we also recruit marine cadets and skilled professionals nationally. Recruitment teams engage with post-secondary institutions across Canada to promote careers in marine operations and engineering, helping build a pipeline of talent for critical roles within the organization.

Retention efforts continue to evolve alongside recruitment. Seasonal work guarantees for certain roles have been introduced to provide more predictable employment opportunities during both peak and non-peak periods, supporting workforce stability and operational continuity.

Diversity, equity and inclusion

We are dedicated to fostering a respectful, inclusive and diverse workplace, free from bullying, harassment and discrimination — where our people are included, valued and respected and can connect, belong and grow.

In accordance with BC's *Pay Transparency Act*, we posted our [Pay Transparency Report](#) in October 2025, marking our second year of public reporting. With two years of data, we now have a baseline and insights into where pay differences exist across our workforce. While progress takes time, this growing body of information is helping us better understand the structural factors that influence pay equity.

To support a more inclusive and sustainable marine workforce, we are working beyond our organization to help address sector-wide barriers. In fiscal 2026, we joined *Imagine Marine*, a national initiative that brings together marine employers, workers, educators, unions, governments and industry partners. Through this collaboration, we are contributing to shared strategies that help strengthen the talent pipeline, improve access to funding, and advance inclusive best practices across Canada's marine sector.

Given the specialized nature of ferry operations in coastal BC, we continue to play an active role in shaping recruitment-focused initiatives that respond to regional and national workforce challenges. This includes increased consultation with provincial and federal partners — including Immigration, Refugees



and Citizenship Canada, Employment and Social Development Canada, and Transport Canada — to support inclusive recruitment practices and policy development that enable greater access to skilled marine workers through immigration. Together, these efforts support our goal of attracting and retaining a workforce that reflects the communities we serve and has the skills needed to deliver safe, reliable service today and into the future.

Did you know?

Starting in January each year, our recruitment team holds up to 35 in-person hiring events and conducts as many as 2,500 interviews to fill operational roles throughout our ferry system. On top of that, the team also attended 129 general, industry and school career fairs last year to showcase the roles available at BC Ferries with a wide range of groups.

Training and development

Ensuring our people have the competencies to fully and safely perform in their role, as well as opportunities to develop into new roles, is an essential element of our people strategy. A significant portion of learning and development at BC Ferries is conducted in-house, with more than 800 employees supporting Operational Training and Standardized Education and Assessment (SEA) training delivery as part-time trainers.

In the future, we will see an expansion of our learning and development offerings, more online and blended learning opportunities, alongside improvements to our learning management system.

This last fiscal year, 25,526 days of training activities were completed by Operational Training and the SEA Program.

These programs not only maintain BC Ferries' compliance with all regulatory and legislative requirements but also play a pivotal role in maintaining the safety of our staff.

Over the past fiscal year, we launched a formal leadership development framework and moved it from concept to action. This included rolling out a unified framework grounded in leadership competencies, delivering a sustained internal awareness campaign, piloting and launching in-person formal leadership learning, and embedding leadership development into senior-leader forums and manager tools. The work focused on building shared expectations of leadership, supporting leaders with practical learning and development tools, and strengthening culture through everyday leadership practice.

What's ahead: Investing in our people

Looking ahead, we are continuing to strengthen the policies, training and systems that support a respectful, inclusive and engaging workplace. One key focus is updating our Respectful Workplace Policy and the training that supports it, to better reflect who we are as an organization today and the experiences of our people at work. This policy update is intended to provide clear, practical guidance on what respectful behaviour looks like, what is and is not acceptable, and how to speak up or respond if something isn't right. Building a positive and inclusive workplace is a shared responsibility, and we want all employees to feel informed, supported and empowered to contribute to that culture.

In fiscal 2027, we are rolling out the first phase of our HR transformation program and seeking regulatory approval from the BC Ferries Commissioner on the second phase of the program, planned to begin

in fiscal 2028. Over the coming years, our new HR systems will lay the foundation to better support our employees through digital tools, streamlined support, and improved scheduling experience. We are enhancing how we recruit, onboard, manage performance and use people-related data to support better decision making. As part of this work, we are progressing toward the anticipated launch of a new applicant tracking system in fall 2026. This system is expected to provide a more secure and seamless onboarding experience for new hires, including a stronger day-one start, along with improved reporting and integration across our HR systems. Together, these initiatives support our goal of attracting, developing and retaining a diverse workforce with the skills and capabilities needed to deliver safe and reliable service for the people and communities we serve.

Supporting marine training

This past year marked several important milestones in BC Ferries' ongoing investment in marine training and development, strengthening bridge, engineering and deck capability across the organization.

A key achievement was the continued delivery and completion of cohorts with the Officer Development Program, a national first-of-its-kind partnership supporting employees working towards Second- and Fourth-Class Marine Engineering certification with Standards of Training, Certification and Watchkeeping for Seafarers endorsement. The graduation of the second cohort represented a significant step in building internal engineering capability, while providing

employees with portable, internationally-recognized credentials and clear pathways for career advancement.

Progress was also made through the BCIT Marine Engineering and Nautical Sciences Cadet Programs, with sponsored employees completing academic and sea time requirements toward future officer certification. These graduations reflect sustained investment in developing the next generation of deck and engineering officers from within BC Ferries.

Through the Marine Education Program in fiscal 2026, BC Ferries supported the certification of marine officers across key deck and command roles, including:

1 Chief Mate
500 Gross Tonnage, Domestic

15 Watchkeeping Mates

20 Chief Mates

11 Masters

Beyond certification pathways, this year also saw targeted investment in specialized technical training. Members of the Fleet Support Unit's Navigation & Communication team completed intensive system-level training, expanding in-house expertise in diagnostics, maintenance and emerging technologies. This milestone strengthens operational readiness by reducing reliance on external contractors and supporting faster resolution of complex onboard issues.

Alongside these achievements in technical training, we also made significant progress in strengthening leadership capability across the organization. In fiscal 2026, a formal Leadership Development Framework was launched, establishing a shared, organization-wide approach to leadership grounded in six core competencies, including self-awareness, courage, collaboration, building effective teams, accountability, and strategic thinking. The framework is supported by practical tools, learning resources, and new in-person training, helping leaders at all levels build the skills needed to support their teams and shape a consistent, positive workplace culture.

Together, these achievements highlight the people, partnerships and progress behind our training and development efforts — supporting safe, compliant and reliable operations today, while building capability for the future.



Goal 3

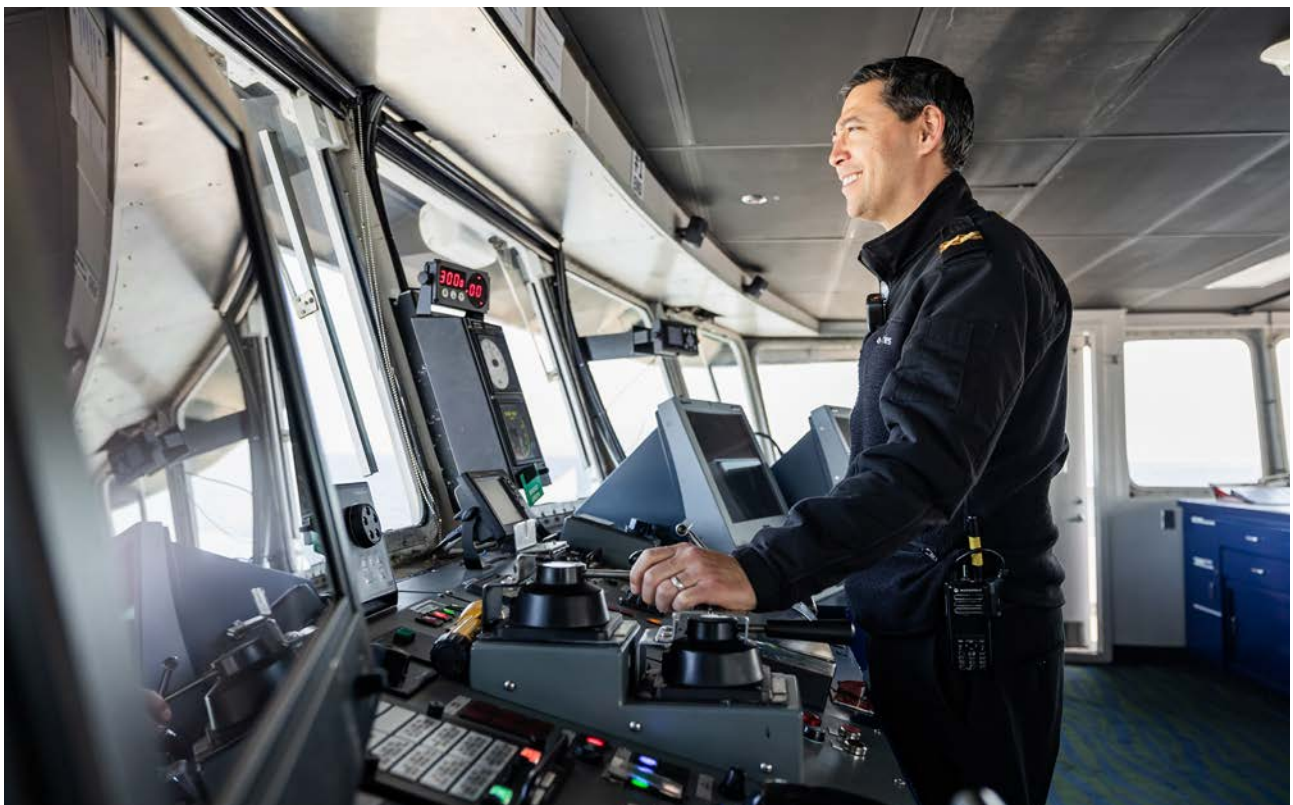
Achieve financial stability

Objective: To partner with government on building a long-term funding model that allows our ferry service to remain financially viable and support critical investments.

BC Ferries faces significant financial pressures and challenges, including costs exceeding revenue for most routes, aging vessels and terminals, increasing maintenance needs, growing customer demand, capacity limits on major routes, inflationary costs and limited revenue sources.

These challenges have developed over several performance terms. Affordability decisions helped protect customers from the full impact of rising costs, but they did not eliminate the underlying costs of maintaining and renewing an aging ferry system.

In fiscal 2026, we continued to face financial pressures, with operating and capital costs rising faster than revenues across much of the ferry system. Aging vessels and terminals, increasing maintenance needs, capacity constraints on major routes and inflationary pressures all contributed to a growing gap between what it costs to deliver service and the revenues available under the current funding framework.



We have taken significant action within our control to reduce operating and investment requirements. Throughout fiscal 2026, our decisions were guided by fiscal responsibility and a clear focus on what was essential: protecting safety, maintaining service reliability, and making targeted investments in people, training and core assets. In some cases, this meant deferring or scaling back planned enhancements and capital projects. These actions reduced operating and capital costs, and we continue to identify further efficiencies and cost reductions.

In fiscal 2026, revenues increased by \$88.4 million or 7.5% compared to the prior year, primarily driven by Fare Affordability Funding from the Province, fare increases, and higher passenger and vehicle volumes across the system, reflecting sustained demand for ferry services. Despite this, we recorded a net operating loss of \$63.7 million. Our operating expenses increased by \$4.5 million or 0.4% compared to the prior year, primarily driven by increased labour costs related to higher wage rates and benefits and increased levels of service, increased depreciation related to assets placed into service, partially offset by \$4 million in fuel efficiencies and lower fuel costs due to the removal of carbon taxes. To continue operating effectively and address ongoing cost pressures, we are advancing efficiency and risk mitigation initiatives, including optimizing fuel consumption, rationalizing maintenance and overhead expenses, and deferring capital expenditures.

BC Ferries operates on a cycle of four-year performance terms, providing ferry services under the *Coastal Ferry Services Contract* with the Province of BC. In each performance term, fares are maintained under an average fare cap set by the BC Ferries Commissioner.

As we prepare our submission for PT7 in September 2026, we are actively working with our Boards and the Province to consider how to balance affordable fares with the service customers and communities expect and the critical investments needed to keep the system running safely and reliably.

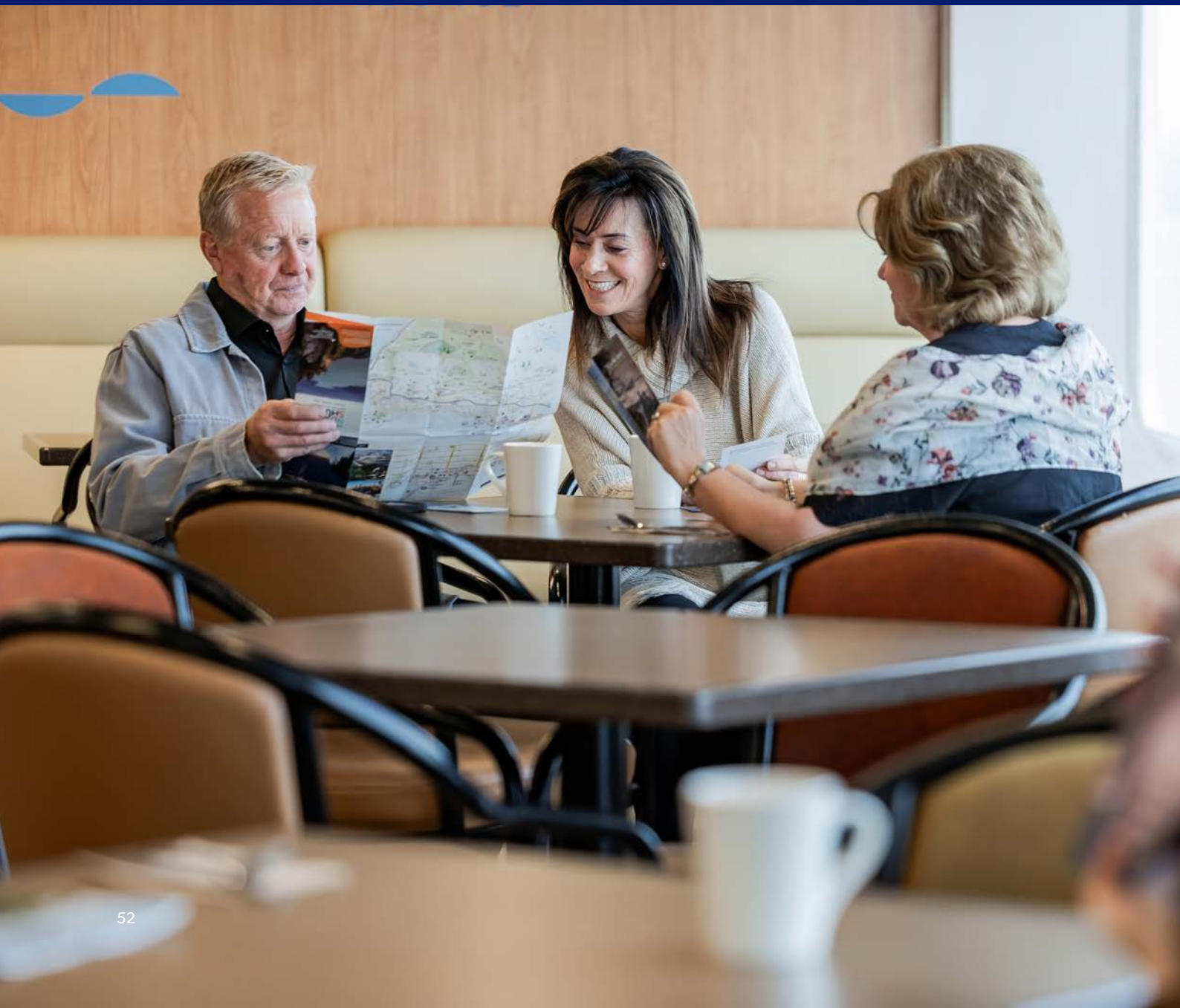


Photo: Pune'luxutth

Supplementary provincial funding for PT6

During the current performance term (fiscal 2024-28), the Province provided a \$500 million contribution ("Fare Affordability Funding") to support fare increases capped at 3.2%, helping maintain affordability despite the rising costs to serve a very diverse ferry network that includes both highly populated and high growth communities, as well

as remote communities with small populations. As financial pressures continue to grow, particularly with an aging fleet and terminal assets, a significant fleet renewal plan and expanding service demands, PT7 will consider the investments needed to support a sustainable and reliable ferry system for the long term.



What's ahead: Achieve financial sustainability

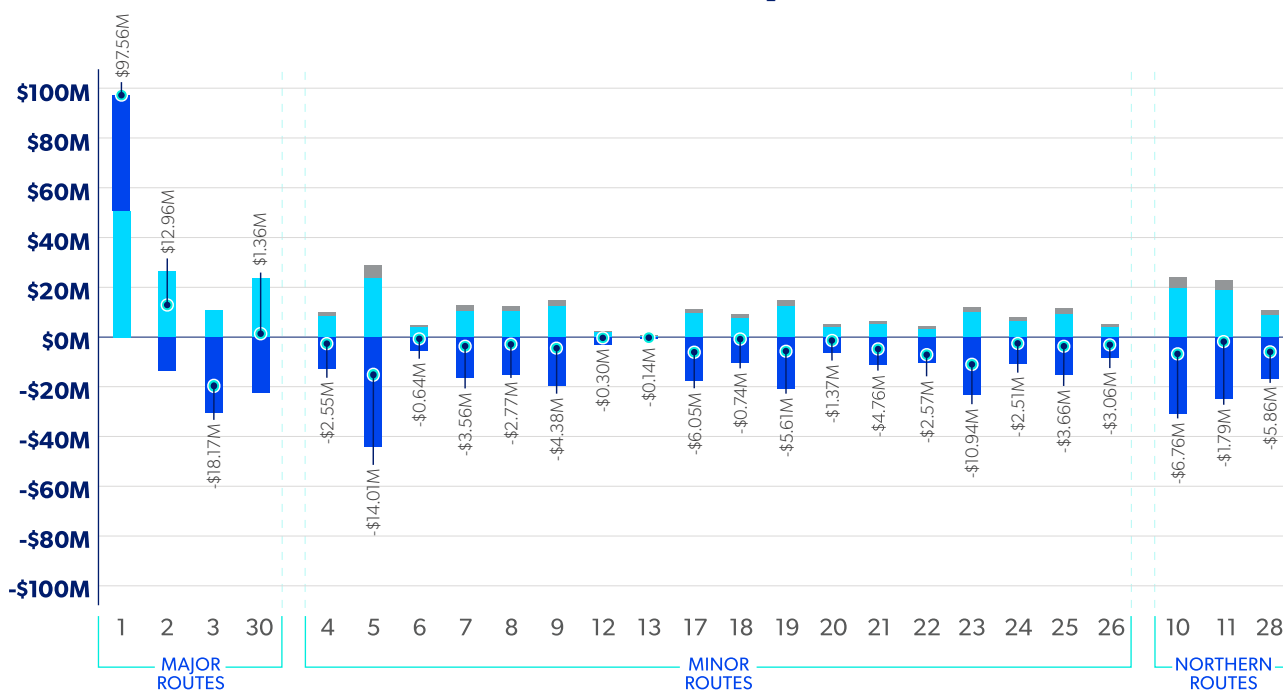
Looking ahead at the budget for fiscal 2027, revenue growth is expected to remain steady, while structural cost pressures are expected to continue to outpace revenue growth, underscoring the importance of disciplined financial management. We will continue to prioritize investments that protect safety and reliability, extend the life of critical assets, and support long-term operational sustainability.

As PT7 nears, the system faces increasing operating costs and growing capital renewal requirements associated with maintaining and renewing the ferry system. Our submission will mark the start of a year-long regulatory process that will consider the operating and capital requirements of the ferry system for the next performance term and culminate in the BC Ferries Commissioner's final decision for PT7.



Photo: Klitsa

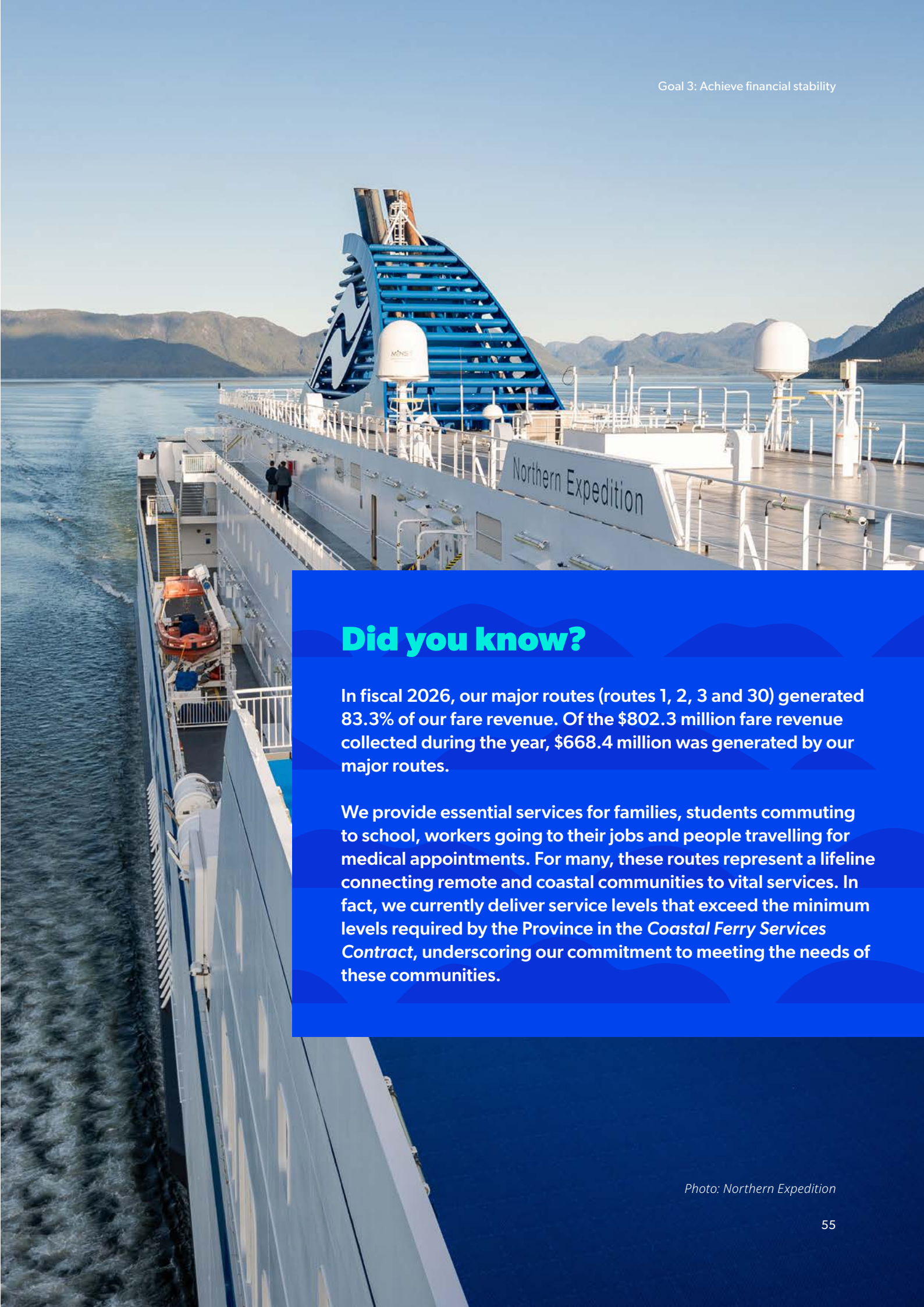
Fiscal 2026 route financial performance



■ Provincial Funding
 ■ Federal-Provincial Subsidy
 ■ Earnings (Loss) before Provincial and Federal Funding
 ● Net Regulatory Earnings (Loss)

* To see our routes, go to page 77.

- The Federal-Provincial Subsidy Agreement**, established in 1977, provides the Province of British Columbia with an annual indexed subsidy from the federal government to support ferry and coastal freight and passenger services. In return, the Province commits to maintaining specific water links and ensuring “reasonable and adequate” ferry service. The Province is responsible for determining the services that need to be funded and is obligated to provide “reasonable and adequate” ferry service. The agreement also includes provisions to support fare affordability and initiatives to reduce greenhouse gas emissions. This agreement has no end date.
- Provincial funding** consists of the “Ferry Transportation Fee” provided by the Province for ferry transportation services provided by BC Ferries on the Designated Ferry Routes and to pay for the Seniors Discount in accordance with the *Coastal Ferry Services Contract*, and Fare Affordability Funding for PT6.
- Items included in Net Regulatory Earnings** but not permitted under International Financial Reporting Standards (IFRS) Accounting Standards:
 - Fuel Costs (over) under Set Price
 - Fuel Surcharges Collected
 - Fuel Price Risk Recoveries Receivable from the Province of British Columbia
 - Tariffs in Excess of Price Cap
 - Deferred Fare Increase Relief
 - Deferred Carbon Reduction Investment Account



Did you know?

In fiscal 2026, our major routes (routes 1, 2, 3 and 30) generated 83.3% of our fare revenue. Of the \$802.3 million fare revenue collected during the year, \$668.4 million was generated by our major routes.

We provide essential services for families, students commuting to school, workers going to their jobs and people travelling for medical appointments. For many, these routes represent a lifeline connecting remote and coastal communities to vital services. In fact, we currently deliver service levels that exceed the minimum levels required by the Province in the *Coastal Ferry Services Contract*, underscoring our commitment to meeting the needs of these communities.

Photo: Northern Expedition

Goal 4

Build trust and advance reconciliation

Objective: To build trust with our people, customers, First Nations, government and the communities we serve by embedding our purpose and values in all that we do.

BC Ferries plays an essential role in connecting coastal communities across British Columbia. Building trust with customers, employees, First Nations, government and communities requires more than delivering ferry service — it requires transparency, meaningful engagement and relationships grounded in respect.



Throughout fiscal 2026, BC Ferries focused on strengthening communication, engagement and relationships across the coast. This included beginning to roll out our refreshed purpose and values across the organization, implementing a renewed engagement framework, strengthening internal and external communications, and advancing reconciliation through learning, partnership and collaboration with coastal First Nations.

We recognize our ferry service is a transportation lifeline to many living within coastal communities across BC. To deliver the kind of service that our people, customers and community partners can trust and rely on, we must build strong relationships through clear, transparent and timely communication and engagement.

Our commitment to clear, transparent and meaningful communication and engagement with customers, our people, government partners and the communities we serve is rooted in our purpose and values.

As a ferry service that operates on the traditional territories and waterways of 82 coastal First Nations, we remain committed to advancing truth and reconciliation by nurturing respectful relationships with coastal First Nations.



Photo: Salish Raven

Over the past year, we focused on strengthening relationships with our people, customers, coastal communities, government partners and First Nations. This included aligning our actions, decisions and communications — internally and externally — to present a consistent and trusted voice. Grounded in meaningful engagement, transparency and mutual respect, this work supports reliable ferry services today while contributing to a more connected, resilient coast.

This year, we introduced our refreshed purpose and values to help our people better align around who we are, what we do and why it matters. For the public, this refresh is important because our purpose and values shape how we make decisions that affect the reliability, safety and experience of the ferry service they depend on. By embedding this shared foundation across our organization, we strengthen accountability, consistency and trust — from frontline interactions to long-term planning.

We continued to enhance our internal and external communications to ensure people receive clear, timely and relevant information. This included reviewing our communication channels and outreach mechanisms to better reach our customers and employees. Strong, timely communication helps customers plan their travel with confidence and make decisions during disruptions, supports our people in delivering this essential service, and ensures the communities we serve and our government partners understand what to expect from the ferry system.

We created the new [Let's Connect](#) framework for consistent, transparent and inclusive engagement with communities and the broader public.

Let's Connect provides a foundation of clarity for communities, interest holders, employees and customers understand when and how BC Ferries engages externally, how feedback informs decisions (and what the constraints are), and how we close the loop to support building trust and confidence in BC Ferries listening to and actioning feedback.

Stories that made waves

The search and rescue of Luigi the cat

What began as a call for help became one of our most-shared social media stories, as our Tsawwassen terminal team worked with a local rescue to help reunite Luigi the cat with his family.

Love on the North Coast

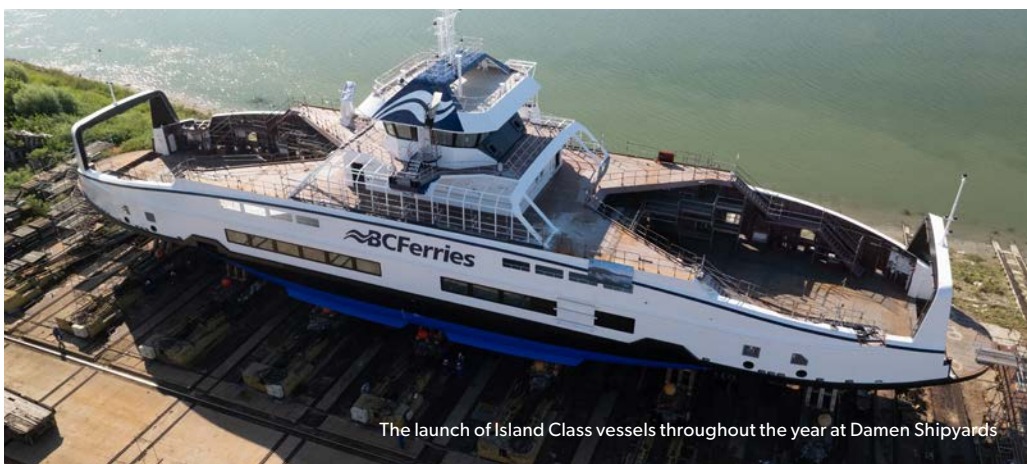
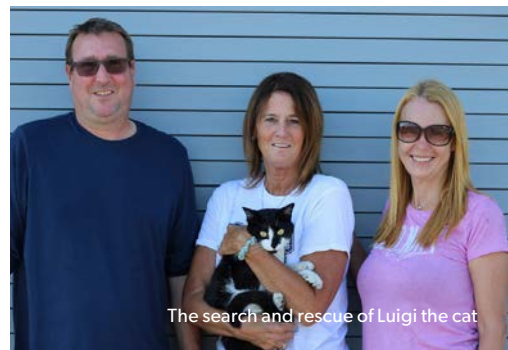
A wedding aboard the *Northern Expedition* celebrated connection, community and life on the coast — showing how our vessels are places where relationships and milestones are shared.

Back-to-back marine rescues in September 2025

Stories highlighting two separate person-overboard rescues just days apart demonstrated the training, professionalism and response of our crews in critical situations.

The launch of Island Class vessels throughout the year at Damen Shipyards

Behind-the-scenes moments from multiple Island Class vessel launches overseas marked steady progress in renewing our fleet and strengthening service for coastal communities.



Engaging with communities, government and interest holders

BC Ferries plays a vital role in connecting coastal communities and supporting regional economies. Engagement plays an important role in informing our work, providing place-based insight into how services and projects affect people’s daily lives.

Community input is considered alongside regulatory, financial, operational and technical factors, and we aim to be transparent about these considerations, helping build a clear understanding of what is open for input and where decisions may be constrained.

In May 2025, we introduced *Let’s Connect*, our framework for public engagement. The framework establishes a consistent and transparent approach grounded in five core principles: clarity, consistency,

inclusivity, accessibility and responsiveness. Together, these principles shape how we design engagement, communicates what feedback can influence, and follows through with timely updates.

These activities demonstrate how engagement is being applied more consistently across different areas of the business, with a strong emphasis on capital projects and coordination with government and community partners.

In fiscal 2026

131

engagement activities undertaken across the ferry system

71

capital project engagements, reflecting a strong focus on infrastructure delivery

33

government engagements

14

interest holder meetings with community organizations and partners

10

community engagement events, including open houses, pop-ups and information sessions

40%

increase in unique visitors to online engagement platforms

From framework to practice

In fiscal 2026, we focused on embedding the engagement framework into day-to-day operations. This included strengthening how engagement is planned, delivered and evaluated, and ensuring activities are aligned with decisions and projects that are open to input.

To support this work, we established and refined a set of internal tools and processes, including standardized planning templates, interest holder mapping tools, service standards for responding to inquiries, improved contact lists, and an engagement tracking tool. These foundations are improving consistency, coordination and accountability across engagement activities.

Strengthening relationships

Over the past year, we continued to reinforce that meaningful engagement goes beyond individual meetings or projects. While formal engagements with elected officials and interest holders remain important, sustained relationships depend on ongoing coordination, proactive outreach, and regular touchpoints tied to decision making.

BC Ferries recognizes that there is more work ahead to strengthen these relationships and has taken steps to support this effort, including establishing a dedicated Government and Interest Holder Relations Lead role. This reflects a commitment to continuity, responsiveness and stronger alignment with community and government partners over time.

Learning through implementation

As expected in a year of implementation, applying the framework revealed both strengths and areas for improvement. Engagement on capital projects demonstrated the value of early and localized input in identifying community priorities and supporting project delivery.

In-person and relationship-based engagement remained essential for more complex discussions, while digital engagement tools also continued to play a role in hearing from a broader diversity of voices, broadening awareness of our initiatives, access to information, and opportunities to provide feedback.

What's ahead: Continued engagement

In fiscal 2027, we will continue to focus on strengthening our engagement approach through ongoing learning, refinement and accountability, guided by principles outlined in *Let's Connect*. Key priorities include establishing a repeatable annual reporting approach, strengthening relationship continuity with local governments and interest holders, and working with teams across the company to further refine how engagement feedback is captured, understood and integrated into decision-making processes.

We remain committed to transparent, responsive and meaningful engagement, ensuring that community and interest holder feedback continues to inform the decisions that shape ferry service across the coast.

Community investment

BC Ferries' Community Investment Program is designed to build meaningful, long-term connections in the communities served by our routes. Through targeted support, we contribute to initiatives that strengthen local relationships and reflect our role as a trusted partner along British Columbia's coast.

Our community investments focus on non-profit organizations that deliver social and environmental benefits aligned with our values. Support is guided by three pillars — Environmental Education, Health & Sport, and Vibrant Communities — with initiatives assessed based on their ability to encourage travel, support local economies, promote healthy and active living, and contribute to environmental sustainability. Employees also give back through activities such as shoreline cleanups and fundraising in support of the United Way.

In fiscal 2026, BC Ferries supported more than 200 community projects and initiatives through funding and in-kind travel.

Our Community Investment Team received over 527 requests for community giving — a 17% decrease over the previous year. We also provided more than \$37,000 of in-kind travel support to 133 community events, fundraisers and environmental initiatives that were received through an online application process and qualified under the pillars of support. The total in-kind travel was down 43% from the year prior, reflecting a decrease in applications, and an increase in events that did not fall within our pillars of support. These trends, alongside broader efforts to align with BC Ferries' new purpose framework, have informed a review of the program, which is currently on pause. The review will help ensure the program is aligned with BC Ferries' new purpose framework and continues to deliver meaningful support to coastal communities.



In fiscal 2026, we supported:

Tlell Fall Fair — Haida Gwaii

**United Way Kapwa Strong Donation
— Filipino Festival**

Seaspan Women in Marine

**Hope and Health Community Camp
— Cowichan Tribes**

Penelakut March for the Children

**Salt Spring Arts Council Outdoor
Concert Series**

**Hornby Island Natural History Center
Summer Programs**

Axis Theatre Society

AVICC AGM & Convention

The program also has annual contracts for in-kind travel with partner organizations, including viaSport, Nicholas Sonntag Tide Pools, Powell River Kings, PRISMA and Cops for Cancer.

In-kind travel was offered for several First Nations and Indigenous events such as Hope & Health, FNEESC Education Conference and UBC Powwow.

BC Ferries also supported community connection through sport by partnering with Vancouver Whitecaps FC during the club's Indigenous Peoples Celebration Match on April 11, 2026. Through this partnership, BC Ferries provided in-kind travel support for 15 members of the Tsartlip Nation to attend the match at BC Place and take part in a pre-match soccer clinic. Delivered by Whitecaps FC alumni, the clinic created an opportunity for Indigenous youth to connect, build skills and experience the game in a welcoming and inclusive environment.



Photo: Prisma Music Festival



Photo: Whitecaps soccer clinic

2025 Shoreline Cleanup

Throughout September 2025, our people across the coast came together to take part in the annual Shoreline Cleanup, demonstrating a shared commitment to environmental stewardship and the communities we serve.

Teams organized and participated in cleanup activities at terminals, neighbourhood parks and coastal areas from Alert Bay to Victoria, collectively removing more than 317 kilograms of litter and cleaning over 14.5 kilometres of shoreline.

Items collected ranged from common waste, such as plastic bottles and food wrappers, to more unusual finds, including shopping carts and a chandelier.

The initiative also included a community partnership with the BC Lions, where employees were joined by players, fans and local residents for a shoreline cleanup at Kitsilano Beach in Vancouver. Together, they cleaned one kilometre of shoreline and helped raised awareness about coastal protection and collective responsibility.



Photo: BC Ferries shoreline cleanup

Building strong relationships with First Nations

BC Ferries engages with First Nations on whose lands and waters we operate, recognizing that our 25 vessel routes and 47 terminals are situated within coastal territories that have been home to First Nations for thousands of years. We maintain formal relationships and project-level consultation with coastal First Nations communities and Section 35 Aboriginal rights and title holders who are both served and impacted by our operations. We also engage with Indigenous partners across BC connected to our service areas.

In 2022, BC Ferries signed three Relationship Protocols with First Nations, including Malahat First Nation, Snuneymuxw First Nation and WJOLÉLP (Tsartlip First Nation). Over the past fiscal year, we continued to strengthen these relationships through collaboration on project engagement, service planning, vessel naming, environmental studies, and community investment initiatives. Advancing reconciliation remains grounded in listening, learning and relationship building.

We were honoured to receive gifted names from the Snuneymuxw, We Wai Kai and Wei Wai Kum First Nations for our newest Island Class vessels.

In partnership with the Nations, we developed resources to support the respectful sharing of these sacred names, including guidance on their cultural significance and pronunciation in the hul'q'umi'num and Kwak'waka languages.

This year, we focused on deepening internal understanding and creating more consistent practices across the organization. Internally, we marked the National Day for Truth and Reconciliation with an organization-wide virtual learning session featuring Sempulyan Stewart Gonzales of the Squamish Nation, a Survivor of Indian Day School and Residential School. This initiative was organized in collaboration and with the support of the Indian Residential School Survivors Society. The session created space for employees to listen, learn and reflect on the ongoing impacts of residential schools and the importance of reconciliation today. We also introduced updated land acknowledgement guidelines to help ensure acknowledgements are respectful, informed and reflective of our relationships with the coastal First Nations on whose lands and waters we operate.

What's ahead: Advancing reconciliation

Moving forward, we will continue to focus on practical actions that support and strengthen the relationship with First Nations. Through ongoing dialogue and project-level consultations, we will further strengthen relationships with the Nations we work with. We will identify opportunities for organizational learning that support our truth and reconciliation journey and build greater awareness and understanding among our people.

We are also preparing for the phased installation of territorial acknowledgement signs at terminals, in consultation with the local First Nations, as well as the roll out of the BC Sans font across the organization. This font digitally renders all characters used in the 34 First Nations languages in British Columbia. The change supports accessibility and reflects the Province of British Columbia's standards, reinforcing inclusive and respectful communication practices across the organization.

Island Class gifted names

This past year, BC Ferries was honoured to receive sacred names gifted from the Snuneymuxw, We Wai Kai and Wei Wai Kum First Nations for the new Island Class vessels.

The names were gifted in recognition of their deep-rooted connections to the marine environment. The naming was part of a valued collaboration between BC Ferries and the Nations, serving as a visible recognition of each Nation's presence and way of being.

Each gifted name reflects cultural significance, language and stories of place.

For the vessels serving the Nanaimo–Gabriola Island route, the Snuneymuxw First Nation gifted the hul'q'umi'num names:

Island xwsaíluḡul

MEANING: 'Grassy Place' and marking the historic site of the 1854 Sarelequun Treaty

Island sarlequun

MEANING: 'People at Nanaimo Harbour', named in honour of the revered first peoples of Snuneymuxw

For the Campbell River–Quadra Island route, the We Wai Kai and Wei Wai Kum Nations gifted the Kwakwaka names:

Island Gwa'yam

MEANING: 'Whale', symbolizing family and the return of whales to these waters

Island K'asa

MEANING: 'Otter', representing a guardian spirit and a reminder of life's interconnectedness

The newest Island Class vessels will enter service on a phased basis, with all four expected to be operational by early 2027. They will join the six existing Island Class vessels in the fleet, four of which have also received gifted names from coastal First Nations. For pronunciation resources and to learn more, [visit our website](#).



Photo: Island xwsaluxul

Island xwsaluxul
VICTORIA

Goal 5

Champion end-to-end customer experience

Objective: To deliver smooth and seamless customer experiences informed by customer feedback and the public interest.



We are proud to be one of the largest ferry systems in the world, serving more than 1,600 kilometres of coastline and carrying over 62,000 customers and 23,000 vehicles on average each day. Delivering safe, reliable service at this scale depends on providing an end-to-end customer experience that is connected, consistent, clear and inclusive.

Championing the customer experience means understanding how people move through our

system — from trip planning and booking, to arrival at the terminal, travel onboard and onward connections — and reducing unnecessary complexity at every stage. We are committed to listening to our customers and the communities we serve, using their feedback to guide decisions that balance reliability, safety, accessibility and the public interest.

This work is focused on improving how customers plan their travel, how efficiently they move through terminals, and how clearly we communicate during both everyday operations and periods of change. We aim to support a more predictable, manageable and transparent experience for both customers and our crews.

Looking back on fiscal 2026, BC Ferries made targeted progress in improving the customer experience by reducing friction at the booking stage of the journey. We introduced a waitlists pilot and expanded booking alerts to give customers more certainty to book travel, helping them access newly available space without repeated checking and with greater confidence. These digital tools represent an important early step toward simplifying the end-to-end customer journey, particularly during periods of high demand.

While broader improvements across the full travel experience will continue, this work laid the foundation for future enhancements informed by customer needs and system constraints.

In fiscal 2026:

86%

customer satisfaction

Up from 84% in fiscal 2025

4.14

customer satisfaction
score out of 5

Up from 4.10 in fiscal 2025

4.8

customer complaints
per 10,000 passengers

Down from 5.9 in fiscal 2025

473,861

calls responded by
Customer Service Centre

During our peak operating season
(June to September), each call was
answered within an average of
151 seconds.

95%

satisfaction with
Customer Service
Centre experience

Up from 93% in fiscal 2025

What's ahead: Customer-focused improvements

Looking ahead to fiscal 2027, our efforts will remain focused on practical improvements that help customers navigate a constrained ferry system and reflect their feedback.

Building on the introduction of waitlists and booking alerts, we will continue to refine booking tools that encourage earlier planning, improve travel certainty during peak periods and make better use of available capacity. In the near term, customer experience work will prioritize clarity, predictability and access to information — helping customers understand what to expect and how to plan within system limits. More comprehensive end-to-end customer experience transformation will continue to be paced over the longer term, aligned with funding, asset renewal and workforce priorities.

To support a more efficient and integrated transportation system, we are working in partnership with BC Transit and Translink to explore opportunities

to improve inter-regional travel across our systems and support a shift to more active transportation. Better integration of our services will ensure customers experience more seamless travel and assist TransLink with lowering greenhouse gas emissions. For fiscal 2027, we are working together to improve the experience for non-vehicle passengers connecting from ferry to public transit at Tsawwassen, Swartz Bay and Langdale terminals.

In parallel, we have begun exploring how to measure the customer experience across the full journey. Building on current customer satisfaction metrics, work is underway to develop a more integrated view of performance across key stages — including trip planning, terminal experience, onboard travel and post-trip. These insights are intended to support more targeted improvements by helping us better understand where the customers encounter friction and where changes can deliver the greatest impact.



Switch to advance booking only

Horseshoe Bay to Departure Bay

In October 2025, we introduced an advance-booking-only model for vehicles travelling from Horseshoe Bay to Departure Bay — a significant change for one of our system's busiest terminals to accommodate space limitations resulting from major, multi-year infrastructure upgrades at Horseshoe Bay terminal.

Requiring customers to book and pay in advance created a more predictable flow of vehicles, helping crews manage traffic safely within a much tighter footprint. The change also gave customers greater certainty before they arrived at the terminal, reducing the likelihood of long waits or being turned away once space was limited.

To support the transition, we doubled the availability of Saver fares on the route, introduced new digital tools to alert customers when space becomes available, and reserved vessel space for emergency vehicles and passengers with Medical Assured Loading.

Since its implementation, on-time performance at Horseshoe Bay has risen from the mid-70% range to consistently above 90%. While the move to booking-only marked a shift in how people plan their travel, it has helped balance safety, reliability and access during an especially complex construction period — keeping customers and employees moving while the terminal is prepared for the future.



Photo: Horseshoe Bay Terminal



Booking alerts and waitlist pilot

To support customers travelling on some BC Ferries' busiest routes, we introduced booking alerts — a digital tool designed to help people find space on sailings that are already sold out. booking alerts were released in fiscal 2026 on the Horseshoe Bay-Departure Bay, Horseshoe Bay-Langdale and Powell River-Comox routes, with plans to expand to Tsawwassen-Swartz Bay and Tsawwassen-Duke Point in fiscal 2027.

The tool allows customers to sign up for an email notification when bookable space becomes available, reducing the need to repeatedly check for cancellations. This gives customers more opportunity to secure their preferred sailing, even during peak travel periods, and make it easier to plan ahead with greater confidence.

Since launching, booking alerts have seen strong uptake, with more than 429,000 total subscriptions, 138,000 unique subscribers and over 26% of subscribers successfully securing space on a previously sold-out

sailing. Early results show booking alerts are helping fill released space more efficiently — with thousands of customers subscribed and measurable conversion from alerts to confirmed bookings.

Building on this approach, a waitlist app pilot launched in early fiscal 2027 on Route 17 (Powell River-Comox). The pilot tests an automated option that books customers into newly available space based on their place in line. Between April 2026 and August 2026, over 5,000 people travelling with vehicles joined the waitlist, with 21% promoted to a confirmed booking.

Together, booking alerts and the waitlist pilot are designed to improve the overall travel experience while supporting more predictable operations. For our teams, increased booking certainty means better visibility before a sailing and more direct ways to communicate with customers — helping create a smoother experience for everyone.



Fiscal 2026: Performance against strategic targets

		Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026 results	Fiscal 2026 targets	Fiscal 2027 targets
Employee safety index (frequency x severity)/1,000	Target	0.60	0.70	0.90	0.88	1.02	0.85	1.03
	Result	0.95	1.15	0.94	0.85			
Passenger safety index # pax injury incidents/ 1,000,000 pax	Target	6.90	3.50	2.50	1.30	0.82	1.13	1.11
	Result	1.79	1.58	0.84	0.84			
Technical availability (scheduled # trips less technical cancellations/scheduled # of trips)	Target	99.55-99.74%	99.55-99.74%	99.55-99.74%	99.7%	99.64%	99.7%	99.8%
	Result	99.65%	99.64%	99.7%	99.34%			
On-time performance departures within 10 min of scheduled departure times	Target	88%	88%	86%	85%	86.1%	83.5%	83.5%
	Result	85.6%	85%	83.2%	84%			
Customer satisfaction	Target	4.05	4.12	4.05	4.05	4.14	4.08	4.12
	Result	4.07	4.0	4.03	4.10			

Financial targets net of regulatory adjustments

EBITDA Including subsidiaries \$ millions	Target	257.1	256.2	181.5	152.8	278.9	184.3	225.9
	Result	283.9	231.8	174.8	180.2			
Net earnings \$ millions	Target	24.4	7.7	-56.8	-88.6	9.7	-68.6	-63.6
	Result	47.2	-2.7	-65.4	-81.6			

Definitions:

Employee safety index — Employee injury frequency rate times severity rate divided by 1,000 full-time equivalents

Passenger safety index — Number of passenger injuries per one million passengers.

Technical availability — Scheduled trips less technical cancellations divided by the scheduled number of trips. The Technical Availability metric specifies cancellations due to technical reasons (vessel or terminal).

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.





Photo: Spirit of Vancouver Island

Our routes

Routes

- 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 Bay – 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	Year built	MAXIMUM CAPACITY		Vessel	Year built	MAXIMUM CAPACITY	
		Passengers & crew [^]	AEQ [*]			Passengers & crew [^]	AEQ [*]
 Spirit of British Columbia	1993	2,100	358	 Queen of Cumberland	1992	462	112
 Spirit of Vancouver Island	1994	2,100	358	 Queen of Capilano	1991	457	87
 Coastal Celebration	2008	1,604	310	 Skeena Queen	1997	450	91
 Coastal Inspiration	2008	1,604	310	 Island Aurora	2019	399	47
 Coastal Renaissance	2007	1,604	310	 Island Discovery	2019	399	47
 Queen of Coquitlam	1976	1,494	316	 Island Gwawis	2021	399	47
 Queen of Cowichan	1976	1,494	312	 Island K'ulut'a	2021	399	47
 Queen of Oak Bay	1981	1,494	307	 Island Kwigwis	2021	399	47
 Queen of Surrey	1981	1,494	307	 Island Nagalis	2021	399	47
 Queen of New Westminster	1964	1,332	254	 Island xwsaluxul	2026	399	47
 Queen of Alberni	1976	1,200	280	 Island sarlequun	2026	399	47
 Northern Adventure	2004	500	87	 Island Gwa'yam	2026	399	47
 Northern Expedition	2009	638	115	 Island K'asa	2026	399	47
 Northern Sea Wolf	2001	200	35	 Quinsam	1982	400	63
 Salish Orca	2016	600	138	 Baynes Sound Connector	2015	150	45
 Salish Eagle	2017	600	138	 Quinitsa	1977	300	44
 Salish Raven	2017	600	138	 Pune'luxutth	2006	269	26
 Salish Heron	2021	600	138	 Kahloke	1973	200	21
 Malaspina Sky	2008	462	112	 Klitsa	1972	150	19
				 Kwuna	1975	150	16

[^] There are multiple passenger licences for our fleet, the passenger and crew licence listed are the maximum

^{*}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. Vessels are not to scale.

The Quadra Queen II and the Tachek retired from service in fiscal 2026 and fiscal 2027 respectively.



Photo: Spirit of British Columbia

Advisory

Forward-looking information

The BC Ferries Annual Report contains certain forward-looking statements and other information (collectively, "forward-looking information") about our current expectations, estimates and projections, made in light of our experience and perception of historical trends. Although BC Ferries believes that the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will provide to be correct.

Forward-looking information in this report is identified by words such as believe, expect, anticipate, aim, goal, target, predict or other similar words or expressions and includes suggestions of future outcomes, including but not limited to, statements about: fare models; future traffic volumes; future economic conditions and their impact on our financial performance and future investments; anticipated customer demand; expected capacity constraints; the *Charting the Course* 25-year public interest vision for the coastal ferry service; expected outcomes of investments in employees and technologies to improve employee experience, safety and service reliability; expected staffing requirements and the impact of retention strategies; impacts of vessel electrification on operating costs; the timing and success of transition to alternative energy sources; vessel renewal and resulting capacity impacts; repair and planning strategies (including the expected role that BC-based shipyards will continue to play in the ongoing maintenance, engineering, and logistics of our vessels); anticipated impacts of





Photo: Pune'luxutth

vessel standardization efforts on costs; reliability and capital plans; expected completion dates of major capital initiatives including the Island Class and Summit Class programs; the impact of inflation on capital investment costs; expected reduction of vehicle space during upcoming construction at our Horseshoe Bay terminal; expected outcomes of Performance Term 7 review; and future investment strategies.

Readers are cautioned not to place undue reliance on forward-looking information as our actual results may differ materially from those expressed or implied. Developing forward-looking information involves reliance on a number of assumptions and consideration of risks and uncertainties, some of which are specific to BC Ferries and others that apply to operations in this industry more generally.

The material factors or assumptions used to develop our forward-looking information include, but are not limited to: ferry traffic trends; prevailing climate conditions; fuel costs; construction costs; projected capital investment levels; the flexibility of current capital spending plans and associated sources of funding; our ability to access capital; existing

credit facilities; interest rates; foreign exchange rates; the CPI (Vancouver); our ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the absence of significant adverse changes to government policies, legislation and regulations; the political, economic and social stability of jurisdictions in which the Company operates; the absence of significant disruption of operations; and the requirements of the *Coastal Ferry Act* and the *Coastal Ferry Services Contract*.

The risks and uncertainties that could cause our actual results to differ materially from the forward-looking information include, but are not limited to: the impact of an economic recession; the impact of fare increases or unforeseen events on customer demand; the reliability of aging assets; vendor non-performance; constraints on operations or necessary capital expenditures imposed by our regulator; our ability to maintain desirable financial ratios; our ability to access various sources and debt and capital generally and on acceptable terms; interest rate fluctuations; foreign currency fluctuations; rising fuel prices; traffic fluctuations; the potential for delays in completion of major capital projects; inflation of capital and operating costs; security, safety or

environmental incidents; confidential or sensitive information breaches (including cyber security incidents); changes in the regulatory framework or any applicable laws; vessel repair facility limitations; changes to taxes, tariffs or duties impacting the company or its suppliers; impacts of sanctions and other compliance legislation on the company or its suppliers; climate change; the occurrence of unexpected events such as protests, pandemics,

war, terrorist threats and the instability resulting therefrom; the assertion of Indigenous rights over land use in the province; and the status of our relationships with the communities in which we operate, including with Indigenous communities.

This forward-looking information is current as of the date of this report. For additional information, please visit [our website](#) for our most recent financial reports.

Financial measures

BC Ferries prepares its financial statements in Canadian dollars (\$) and accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

In addition to providing measures prepared in accordance with IFRS, we present certain financial measures that do not have any standardized meanings prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies.

These include, but are not limited to, EBITDA (net earnings adjusted for the impact of regulatory assets

(or "rate regulation") and before interest, taxes, depreciation and amortization), and average tariff (or fare) revenue per vehicle and per passenger. These supplemental financial measures are provided to assist readers in determining our ability to generate cash from operations and improve the comparability of our results from one period to another. We believe these measures are useful in assessing operating performance of our ongoing business on an overall basis. For additional information, please visit [our website](#) for our most recent financial reports.



Photo: Vesuvius Bay Terminal



