

2025
**Annual
Report**

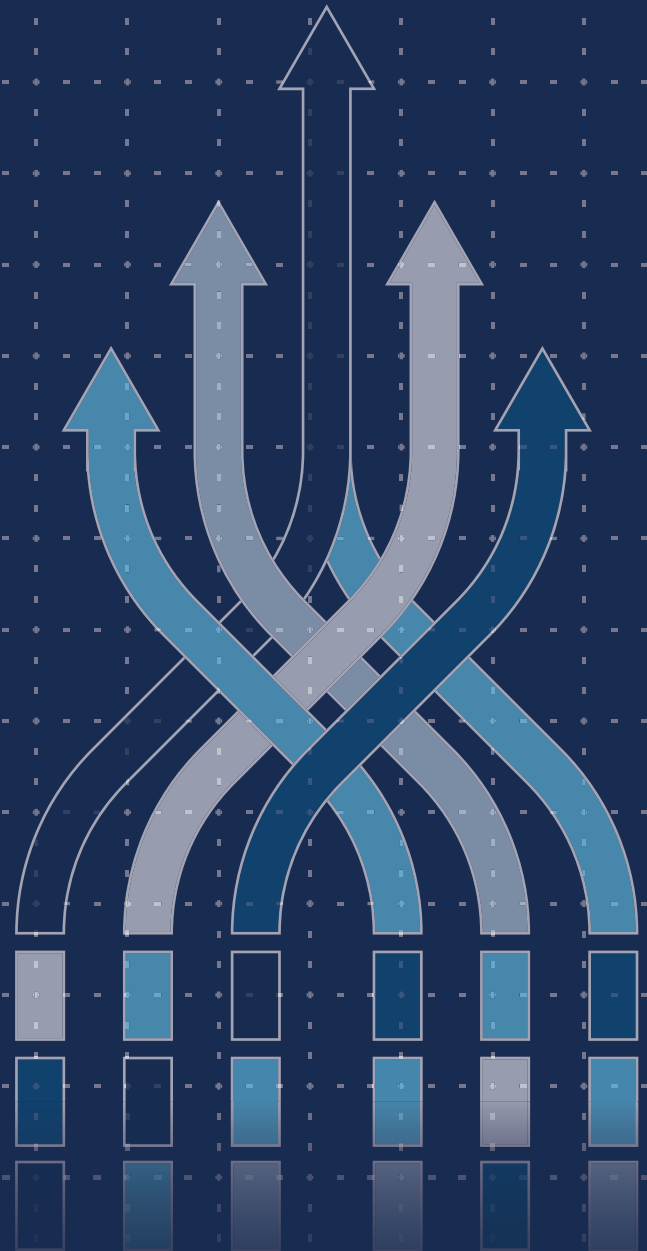


TABLE OF CONTENTS

The Organization in 2025	03
Letter from the Chair of the Board	04
Letter from the President and Lead Executive Officer	05
Report on Performance	06
Corporate Governance	22
The Board	23
The Executive Team	38
Management Discussion and Analysis	42
Financial Statements	57

The Organization in 2025

Technical Safety BC is an independent, self-funded organization that oversees the safe installation and operation of technical systems and equipment across the province that are subject to specific rules and safety guidelines under the [Safety Standards Act](#) and [Railway Safety Act](#). In addition to issuing licences, certificates, and permits, we work with industry to reduce safety risks through assessment, research, education and outreach, incident investigations, and enforcement.

We provide safety oversight across the following technologies:

- electrical equipment and systems;
- natural gas and propane appliances and systems, including hydrogen;
- boilers, pressure vessels, and refrigeration systems;
- elevating devices, such as elevators and escalators;
- passenger ropeways, such as aerial trams and ski lifts;
- amusement rides and devices;
- railways, including commuter rail, common carrier rail, and heritage rail; and
- complex and integrated technical systems involving several technologies.

The safety services we deliver include:

- **Licensing contractors and operators and certifying individuals** to perform regulated work.
- **Permitting** provides authorization for qualified people to perform regulated work and enables us to provide appropriate oversight critical to the management of BC's safety system.
- **Supporting clients** in the development of safety management approaches and auditing their safety management plans or equivalent standard approaches.
- **Assessing** technical equipment using a combination of advanced analytics, predictive machine learning, and human decision-making enables us to identify the greatest sources of potential risk throughout its lifecycle. This information is also shared with asset owners to address potential hazards.
- **Investigating** incidents to understand risks and their root causes, and to develop strategies and programs that prevent harm in the future.
- **Educating** and sharing technical systems safety information with our clients and the broader public to better control risks.
- **Taking enforcement actions** that promote an equitable safety system where all participants are compliant with regulations.
- **Conducting research**, including contributing to provincial and national safety code development and updating regulations for the technologies we serve.

We operate within a legislative and regulatory framework that includes the:

- Safety Authority Act
- Safety Standards Act and Regulations
- Railway Safety Act and Regulations
- Freedom of Information and Protection of Privacy Act
- Public Interest Disclosure Act
- Accessible British Columbia Act
- Pay Transparency Act
- Workers Compensation Act
- Ombudsperson Act
- Offence Act



Letter from the Chair of the Board

In 2025, British Columbians experienced yet another year of significant change. Economic uncertainty and rapid technological advancements created increasingly complex conditions and heightened technical safety risks across the province.

Throughout this, Technical Safety BC's resilience, sound governance, and steadfast commitment to safety helped navigate these challenges.

As a governance Board, our responsibility is to ensure transparent operations, prudent financial stewardship, and strong oversight that supports the organization's aspiration to build confidence in a safety system that improves the well-being of British Columbians. With the province's population and infrastructure continuing to grow and age, Technical Safety BC's regulatory responsibilities have also grown and become more complex. In response, we have provided guidance to help identify, assess, mitigate, and oversee the heightened risks that accompany rapid growth.

This work is reinforced by the organization's investment in a multi-year business transformation initiative to evolve and scale our digital capabilities. In 2025, the Board provided governance for a strategic reset of the transformation program that addresses the risks inherent in such a large-scale endeavour. We also oversaw progress in data governance and the development of responsible artificial intelligence (AI) policies and strategy, reflecting our commitment to strong governance of emerging technologies.

Our commitment extends beyond strategic oversight to a broader focus on Environmental, Social, and Governance (ESG) priorities, including meaningful partnerships with Indigenous communities. To better understand technical safety equity for Indigenous Nations, Technical Safety BC began conducting analysis of permit and incident

data to learn about Indigenous communities' connections to the safety system. This information can be used to support and guide our operations work, advance our reconciliation strategy, and serve as a starting point for relationship-building.

Strong leadership is central to our success. I am confident in the guidance of this Board, the proven capability of our Executive team, and the resilience and dedication of everyone in the organization. Building on this strength, we welcomed John Bell to the Board in 2025. His extensive knowledge of the housing sector will be invaluable as we advance our strategy. I would also like to thank departing Board members Ivan Limpricht and Michael Wrinch for their service and contributions to a safer British Columbia.

Thank you to our employees, clients, and safety partners for your trust and collaboration. Our shared commitment to the safety of British Columbians unites us. We truly are safer together.

A comprehensive overview of our efforts is available in our [2025 State of Safety report](#).

Board Chair

Letter from the President and Lead Executive Officer



Looking back on 2025, our commitment to a well-functioning safety system proved more important than ever, guiding us through significant change and progress. It was a period defined by learning, perseverance, and adaptation.

Today's safety landscape is dynamic. Risks are emerging and shifting, fueled by rapidly expanding infrastructure and new technologies. This complexity requires a sophisticated approach; one we are well equipped for. We continue to move beyond a traditional oversight model, and instead are building an agile, data- and risk-informed system that meets our clients' and partners' evolving needs and furthers our mandate. Central to this approach is our ongoing focus on business transformation. We are making concerted efforts to modernize our digital services by providing a platform for improved client and employee experiences and reducing the risks of aging IT systems. This also enables us to better leverage data. Usage of machine learning and large language models have fueled our risk-based approach over the past several years, and in 2025, AI was further integrated into our transformation efforts.

We have heard our client's and partners feedback and are acting on it, specifically scaling enforcement activities, and tackling the 'Grey Market.' Over the last year, we made considerable progress strengthening our enforcement capabilities through programs that provide a clearer view of systemic issues, allowing us to focus oversight where it can best improve safety behaviour. Significant efforts were also made to address those performing unauthorized work.

2025 taught us invaluable lessons, reinforcing our commitment to owning missteps and incorporating feedback to improve service. Shortly after our redesigned Online Services launch, clients reported significant challenges. Despite our intent to deliver an improved system, we fell short. To address this, we mobilized teams to stabilize the system and continue to implement enhancements. We are also engaging an external consultant for an independent review to strengthen delivery processes and mitigate future occurrences.

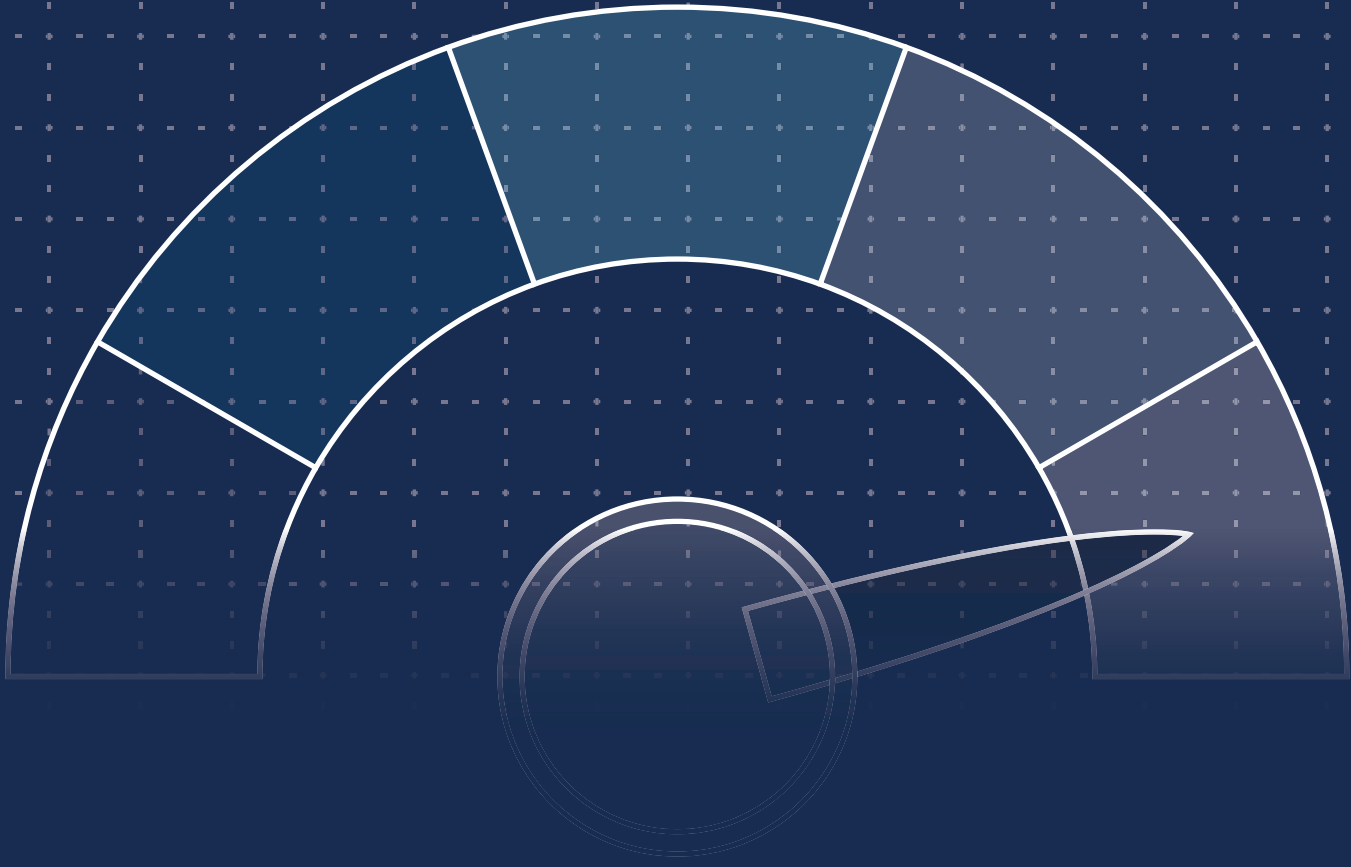
As we look ahead, we remain committed to listening, learning, and refining our approach to building a responsive, resilient, and dependable safety system that brings value to our clients and safety to British Columbians.

I am confident in the dedication of our employees, the support of our Board, and the strength of our partnerships across the province. Thank you for your trust, engagement, and commitment to safety. We will continue to build a future where technical systems are supported by innovative, dependable progress, rooted in the belief that we are safer together.

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

Phil Gothe
President and Lead Executive Officer

Report on Performance



Report on Performance

In 2025, despite economic uncertainty around tariffs and the ongoing slowdown in the construction sector, we remained committed to disciplined fiscal management and to advancing [our Strategy](#).

Our [2025–2027 Business Plan](#) provided a roadmap focused on four areas:

- supporting clients in understanding and meeting their regulatory responsibilities;
- the importance of modernizing processes;
- retiring legacy systems; and
- addressing unlicensed and unpermitted work.

This reinforces our dedication to providing value, improving client experience, and contributing to a stronger safety system. To achieve this, we identified priority activities that guided how we prioritize our work and measure our progress.

1. Shared Accountability Model

3-Year Outcomes	1-Year Outcomes
1. We will evolve our regulatory frameworks, policies, and oversight programs to hold licensed, certified, and permitted duty holders accountable for their role in maintaining compliance and mitigating safety risk.	1. We will evaluate our regulatory frameworks and begin to pilot short-term solutions and design longer-term strategies to support shared accountability in our technical programs.
2. We will shift focus to assessing and managing duty holder performance at the licence, certificate, and owner level, while continuing to assess the safety and compliance of technical equipment and sites.	2. Improve licensee understanding of their role and accountability within the safety system and we will advance our progressive enforcement practices.
3. We will be transparent and fair in how we leverage risk and technology to support safety equity across all communities and Nations in BC.	3. Integrate duty holder factors into our Structured Resource Allocation assessment program and advance our ability to measure and monitor safety behaviour at the duty holder and industry segment level.

2025 Shared Accountability Model Results

In 2025, we improved licence holders' understanding of legal responsibilities, redesigned accountability in the regulatory framework, and made measured progress on safety behaviour and compliance outcomes. To achieve this, we:

- Introduced a pilot education program with gas contractors that demonstrated strong engagement and improved understanding of their duties.
- Designed improvements to our regulatory oversight of the boiler, pressure vessels, and refrigeration (BPVR) technology, including clarifying the responsibility of licence holders and equipment owners in technical data submission and permitting processes.
- Implemented improved communication and increased public transparency around outstanding non-compliances, resulting in improved resolution and declaration of non-compliances.
- Gathered feedback from licence holders and other partners on how to further reduce barriers to complying with regulatory requirements, which has provided a foundation to advance this work in 2026.

2. Business Transformation

3-Year Outcomes	1-Year Outcomes
1. Simplified, clear, and valuable interactions will enable our clients to meet their obligations and demonstrate improved safety behaviour.	1. Improve, evolve, and extract value from our Certification and Licensing products through greater efficiency, lower churn, and higher client satisfaction.
2. We will be adaptive to the needs of the safety system through automation, improved data connections and the ability to quickly adjust product offerings, communications, data collections, and end-user experience.	2. Understand, improve, and (where necessary) redesign business rules and client journeys for permits and assessments, allowing for phased roll-out by technology.
3. We will have transitioned our core safety products away from unsupported legacy systems, reducing enterprise risk.	3. Build the foundational components to support permits, which will improve safety system oversight, gain operational efficiency, and increase overall data quality.
4. We will have end-to-end product management strategies to maintain and evolve products that deliver on our Strategy.	4. Create the ability to link the people, the equipment, and the sites where technical systems operate.

2025 Business Transformation Results

Our business transformation efforts prioritized retiring legacy systems while upgrading and optimizing our digital infrastructure to provide improved client and employee experiences. To achieve this, we:

- Leveraged previous system investments to improve engagement with safety system participants for both our licensing and certification products. Licensing recapture exceeded target by 17%. Churn reduction efforts amongst certification clients made progress but missed target by 3%.
- Made significant progress on the foundational design and development work for the first phase of the permissions product experience upgrades, focused on BPVR technologies, including completion of client journey maps.
- Reviewed data capture methods and identified ways to improve safety oversight and our client's view of multiple units by setting a new standard for data collection.

Our transformation efforts were hampered by a planned upgrade to the Online Services platform in August that caused significant client experience issues through the end of the year. Resources were mobilized to address the issues, and the learnings have been captured to inform and improve future upgrades.

3. Grey Market

3-Year Outcomes	1-Year Outcomes
1. We will enhance our visibility in the safety system.	1. Establish a normalized grey market baseline for installations, starting with the electrical technology.
2. A reliable data ecosystem will enable actionable segmentation of the “Grey Market”, allowing for consistent, scalable regulatory practices.	2. Identify more unpermitted and unlicensed work and build a reliable pipeline of actionable leads to strengthen compliance efforts.
3. A sustainable, rule-based program will promote fairness and increase awareness of the value of compliance. Unqualified organizations and individuals are managed out of the system.	3. Close the grey market gap by converting unpermitted and undervalued permits, supported by accessible and improved public tools.

2025 Grey Market Results

To advance our grey market objectives, we established the foundational tools, data, and transparency mechanisms to identify unauthorized activity, target enforcement more effectively, and shift behavior through informed, risk-based intervention. To achieve this, we:

- Launched a formal program to address grey market activity, informed by enhanced data to identify and address unlicensed and unqualified work. The program surpassed goals across targeted initiatives, including heat pump permitting and permit value amendments.
- Developed and validated a grey market model for electrical installations, focusing on residential and commercial sectors to quantify the scale of unauthorized or unlicensed activity. This work established a reliable estimate of market size and composition, enabling better prioritization of grey market initiatives and clearer measures of success.
- Enhanced the [Find a Licensed Contractor \(FALC\) tool](#) to improve public visibility into contractor compliance and licensing status, strengthening consumer awareness and emphasizing regulatory responsibilities.

4. Strategic Leadership Capabilities

3-Year Outcomes	1-Year Outcomes
<p>1. We will have built a culture of confidence, agility, and innovation supported by our leadership development program in alignment with our Strategy.</p>	<p>1. Leadership development program has broadened skillsets in leading teams, problem solving, emotional intelligence, and conflict resolution so that Leaders can support their employees and lead their teams to do their best work and manage risk appropriately.</p>
<p>2. Leaders will drive innovation, foster a culture of visionary thinking through long-term solutions, adaptability, and continuous learning while encouraging collaboration and managing risks effectively. By inspiring and mobilizing teams, leaders can create an environment where creativity thrives, and innovative ideas are actively pursued.</p>	<p>2. Leaders can identify their skill gaps and actively develop personalized growth plans to enhance their leadership effectiveness, drive team performance, and demonstrate an ability and desire to grow their skillset.</p>
<p>3. Leaders at every level will have a clear sense of accountability and ownership of our organization's goals. Improved business acumen across the organization will better enable prioritization, resource allocation and decision-making.</p>	<p>3. Strengthen organizational resilience and long-term success by building succession plans for critical and strategic roles, ensuring continuity of leadership, and minimizing disruptions during transitions.</p>
	<p>4. Leaders understand how decision making supports a sustainable safety system, including financial sustainability, and can facilitate wholistic decision making and cross-functional collaboration that takes into context the full scope of organizational implications.</p>

2025 Leadership Capabilities Results

To advance our strategic leadership capability-building goals, we delivered meaningful development experiences and strengthened organizational readiness.

- 54% of Leaders completed courses as part of our leadership development program, enhancing their ability to effectively support and empower their teams.
- Established development plans for 65% of Leaders, identifying specific and targeted learning opportunities to advance role effectiveness, professional growth, and career progression.
- Made substantial progress on succession planning for the Executive team, identifying key strategic roles, along with current talent and succession readiness at the Director and Leader level.

Business Plan Achievements Driving our Provincial Performance Targets

Our Business Plan achievements have enabled progress on numerous safety outcomes, performance objectives, and targets outlined in the Administrative Agreement with the Ministry of Housing, including:

- Promoting activities to enhance public safety and reduce the risk of hazards associated with regulated work and regulated products:
 - Improving our client’s understanding of their responsibilities in the safety system and reducing outstanding non-compliances through behaviour modification have a direct impact on the safety of people operating regulated equipment both in the moment and in the future.
- Being responsive to the education and communication needs of British Columbians, and our clients and partners in the safety system:
 - In our work on the Shared Accountability Model, we expended significant effort to understand the knowledge gaps in our client base and address them through communication, education and outreach.
 - We partnered with Health Authorities and Fortis BC to deliver a public safety campaign for CO awareness week
 - We launched a “Tips to ruin your home” campaign to show the dangers of having unqualified people doing work, and to underscore the importance of hiring a Licenced Contractor.

Strengthening Safety Through Connection, Insight, and Accountability

Throughout 2025 we successfully advanced numerous initiatives to benefit the entire safety system that were not specifically outlined in our Business Plan. Through these activities, we reinforced our strategy that we are all safer when the entire safety system participates.

- We implemented a series of outreach campaigns in the electrical industry to address grey market activity and improve understanding of permit and licensing requirements. This resulted in more than 1,400 permits being amended.
- We personalized certification renewal reminders and improved online exam messaging with clearer instructions and timelier reminders. We added alerts for electrical licence-holders and introduced new reminders for unsubmitted renewal applications and new applications missing final documents.
- We strengthened client support by creating a dedicated client development team to deliver clearer and more consistent safety information.
- To improve the speed and consistency of our client service, we rolled out an internal chatbot to our Client Service Representatives. We are also using call transcription and a large language model (LLM) to generate insights from our client interactions that enable us to improve our products and services.
- As part of our work to address unlicensed work, we conducted an enforcement investigation into a licensed contractor that revealed widespread non-compliance and unsafe work practices that posed significant safety risk. Through our intervention, the contractor transformed their operations, and by October they were in full compliance. This case demonstrates how firm oversight, clear expectations, and sustained accountability can drive meaningful, lasting improvements in safety across the industry.
- We awarded five Indigenous post-secondary students Technical Safety BC-funded bursaries. Three students received \$4,000 each through our partnership with the Nicola Valley Institute of Technology, and two students received \$2,000 each through our partnership with the New Relationship Trust.
- To increase knowledge and awareness of how we decide what technical equipment will be inspected in person by a safety officer, we produced a new [video](#) explaining how we use AI, client reporting, statistical sampling, policy, and discretion to deploy safety officers to inspect technologies with the highest safety risks.
- We strengthened our public safety campaigns by leveraging incident investigations and risk data to better target those most at risk:
 - Our annual carbon monoxide (CO) campaign was informed by new risk data and investigation findings, with redesigned multilingual resources and a centralized [landing page](#) tailored to homeowners and renters. Partnerships with FortisBC, Vancouver Coastal Health, and Fraser Health helped extend the reach and credibility of this work.
 - We launched a new Home Renovation Safety campaign, “Quick Tips to Ruin Your Home,” grounded in actual investigated incidents. The campaign highlighted the risks of unlicensed and unpermitted gas and electrical work and directed homeowners to a new [Home Modification page](#).

Moving forward, we will continue advancing the priorities outlined in our [2026–2028 Business Plan](#). This includes strengthening our organizational capabilities as we embark on the most intensive phase of our business transformation, particularly the modernization of our permits and assessments products. We will also work to deepen understanding around shared accountability by addressing knowledge gaps among duty holders and further scale our efforts to increase safety by reducing unlicensed, unqualified, and unpermitted work.

Environmental, Social, and Governance Commitment

As a purpose driven organization, our environmental, social, and governance (ESG) reporting provides an overview of our priorities to help improve the safety system by creating a more inclusive, equitable, and sustainable future.

Our ESG commitments include:

1. Inclusion, diversity, equity, and accessibility (IDEA)
2. Climate action

Using elements of the Global Reporting Initiative (GRI) framework, we regularly monitor, measure, adjust, and report on our efforts to address the risks associated with ESG, and opportunities impacting the safety system in British Columbia.

Reconciliation is consciously positioned as a lens to our ESG work out of recognition for the unique rights and standing of Indigenous Peoples in Canada. The priorities of Indigenous people and communities cannot be appropriately captured or reflected under the ESG reporting standards currently available, as the standards were not developed in partnership with Indigenous Peoples.

In addition to the governance aspects of our environmental and social commitments, components of our governance practices are also detailed in the Corporate Governance section below.

Inclusion, Diversity, Equity, and Accessibility

Our Inclusion, Diversity, Equity, and Accessibility (IDEA) strategy is designed to ensure that our people and programs reflect the population we serve, embracing and encouraging different perspectives, while addressing bias.

Making meaningful, lasting impact in IDEA initiatives requires an ongoing commitment to progress. Our work is guided by a long-term plan with short-term milestones to monitor progress and reinforce sustainable change.

Inclusion, Diversity, Equity, and Accessibility Plan

Long-term goal 1: A workforce that reflects BC's population, including Indigenous Peoples, enabling Technical Safety BC to better provide safety oversight for all people living in the province.

2025 progress:

- Enhanced recruitment practices by providing guidance on competency-based interviewing and unconscious bias mitigation.
- Assembled diverse hiring panels to reinforce inclusive, equitable recruitment practices.
- Introduced a "Beyond the Role" section to job postings highlighting Employee Resource Groups and initiatives supporting Indigenous Relations, Mental Health, and IDEA.
- Included accessibility statements in job postings encouraging applicants with diverse backgrounds and experiences to apply, and ensured all postings offered accommodations to support candidates with accessibility needs throughout the recruitment process.

Long-term goal 2: Employees (and/or consultants) with expertise in IDEA and decolonial methodologies participate in product and services development, assuring language inclusion and accessibility for persons with disabilities is considered.

2025 progress: As part of our ongoing Accessibility Plan work, we implemented priority accessibility upgrades, including:

- Accessibility enhancements to our Online Services platform, comprised of improved keyboard navigation for clients and updated colour contrast to meet Web Content Accessibility Guidelines (WCAG) standards.
- More multi-language safety campaigns and communications to clients to best serve BC's diverse population.
- Updated Health and Safety Emergency plans to include a Persons Assistance Monitor role to better support employees with accessibility requirements.
- Training for Floor Wardens and First Aid attendants on working with people with disabilities during emergency situations.

Long-term goal 3: Through knowledge of equity and with tools to remove discrimination, bias, and colonial thinking, employees enable expansion of the safety system's reach to include underserved communities, resulting in reduced safety risk in those communities.

2025 progress: Delivered IDEA training and education to Technical Safety BC employees, in alignment with our reconciliation training strategy:

- A new mandatory Leadership Foundations course for all Leaders, reinforcing our organizational values and IDEA commitments. Reviewing and refining our IDEA course offerings, adding four new courses to create a more focused and impactful curriculum within the Employee Learning Centre.
- Two sessions of The Working Mind, a training program that builds awareness of mental health and promotes psychologically healthy workplaces.
- New courses to strengthen leadership capabilities, equip Leaders with the tools to empower their teams, and drive organizational success through Technical Safety BC's Leadership Academy.

Long-term goal 4: The organization has made and communicated a policy on the use of inclusive language on race and ethnicity, gender, gender identity, and gender expression, sexual orientation, disability, and other dimensions.

2025 progress: Our Respectful Workplace Conduct Policy makes provisions for the use of inclusive language on race and ethnicity, gender, gender identity and gender expression, sexual orientation, disability and other dimensions. In 2026 we will redefine this goal to focus on refining, communicating, and supporting this policy. This year we:

- Surveyed employees about their experiences at work. We exceeded industry benchmarks for inclusion in three key areas:
 - I am not discriminated against at this organization (based on age, gender, sexual orientation, religion, race, ethnicity, or disability).
 - I am emotionally safe at work.
 - This organization supports an inclusive environment where individual differences are valued and respected.
- Equipped employees with practical tools for inclusive language, psychological safety, and respectful communications.
- Embedded inclusive language and respectful conduct expectations into Leadership Development training.

Climate Action and Sustainability

Through our climate action work, we seek to proactively manage safety risks by understanding how climate events like wildfires, heat waves, and extreme cold snaps affect the technical systems we regulate and drive innovation. We also support CleanBC's decarbonization strategy by enabling the safe adoption of low-carbon technologies. We do this work in partnership with Indigenous communities, and we seek to integrate equitable access to safety into our solutions to improve the wellbeing of everyone.

In 2025, we identified tangible opportunities to strengthen climate safety to support our long-term goals.

Long-term goal 1: Prevent safety incidents and hazards related to climate change for the technical systems and equipment we regulate.

2025 progress: To identify opportunities for climate resiliency, we analyzed internal data and worked with partner organizations to share information on top climate safety risks.

- Identified opportunities to improve climate resilience and address safety issues within the Canadian Electrical Code and submitted 15 proposals for consideration in the 2027 Canadian Electrical Code.
- Leveraged BC Hydro and other partner funding, and our climate hazard inventory, to launch awareness campaigns of carbon monoxide exposure risks.
- Shared safety information with new audiences via our partnership projects:
 - The [COALESCE](#) project led Simon Fraser University's Gerontology department, focused on sharing climate action and climate safety information with aging adults.
 - The Fraser Basin Council's [RECAP project](#) focused on climate resiliency for solar panels and biomass energy systems.
 - The [Best Practices in Building System project](#) led by BC Housing and the University of Victoria, focused on affordable, sustainable and equitable housing.

Long-term goal 2: Prevent disproportionate technical risks and negative impacts of climate change on Indigenous communities and other underserved communities and groups and add value by connecting these groups to the safety system.

2025 progress: Continued our collaborative work with [Pacific Institute for Climate Solutions](#) (PICS) to launch new information channels for Indigenous and remote communities:

- Started a solar energy podcast via the PICS-funded Rural Community Resilience project, which will be made publicly available and shared with rural, remote, and Indigenous communities.
- Provided safety focused input on PICS-led climate resources, including their work on fire resiliency.

Long-term goal 3: Contribute to Provincial greenhouse gas (GHG) emissions reduction strategy through enabling safe adoption of low-carbon technologies.

2025 progress: Continued to increase understanding of safe installation and use of low carbon technologies and improve management of known safety risks through education and partnerships.

- Published a [heat pump resources page](#), providing key information on regulatory requirements for the safe installation of heat pumps.
- Increased knowledge of photovoltaic and renewable energy, including:
 - Developing and delivering education to safety officers.
 - Starting development of a cross-jurisdictional information bulletin.
- Launched a two-year research project funded by BC Hydro, City of Vancouver, and Metro Vancouver to quantify refrigerant leakage from technical systems, and to understand safety, emissions, regulatory, and organizational impacts.
- Engaged with key stakeholders, attended and presented at conferences, industry events, and webinars, including:
 - Everything Electric Conference
 - BC Hydro's Empowering Communities Conference
 - Simon Fraser University's Vancouver Climate Day
 - Zero Emissions Innovation Council's Building Electrification Coalition Forum with Electrical and Mechanical Contractors Associations
 - Canadian Standards Association's (CSA) climate Resilience Week
 - Community Energy Association

Greenhouse Gas Emissions Management Approach

In 2025, we decreased our total greenhouse gas (GHG) emissions by targeting efficiencies across both facilities and fleet operations. Facilities related emissions declined mostly due to recent office closures and space optimization initiatives implemented over the past few years. These efforts streamlined building operations, improved energy management, and increased the proportion of renewable energy used within our facilities.

Fleet emissions also declined significantly by retiring older, higher emitting vehicles and introducing newer, more fuel efficient models, including hybrid vehicles. Combined with an overall reduction in fleet usage, these updates contributed to lower fuel consumption and a smaller environmental footprint. These changes reflect our continued progress in modernizing operations and reducing overall GHG emissions.

	2019 (Baseline) - tCo2e	2023 - tCo2e	2024 - tCo2e	2025 - tCo2e
Fleet	768	589	640	539
Facilities	76	62	47	37
Total	844	651	687	576
Facilities % Renewable ¹	79%	73%	79%	84%
Overall % Renewable ²	7%	7%	5%	5%

¹ The percentage of renewables for facilities represents the proportion of facility energy consumption sourced from renewable sources, such as hydroelectricity.

² The overall percentage of renewables accounts for both fleet and facility energy usage.

Indigenous Reconciliation and Partnerships

We strive to coordinate our Environmental, Social, and Governance commitment with our reconciliation approach.

We work with Indigenous people, organizations, and Nations to develop programs and initiatives and seek to be an active and respectful ally by centering Indigenous perspectives. This is done through internal training, decolonizing our policies and practices, and partnering with Indigenous Nations to develop flexible technical safety solutions.

In 2025, we took action towards reconciliation under our three strategic directions:

Strategic Direction 1 – Allyship: Become a trusted ally/collaborator to Indigenous people, communities, and Nations.

2025 progress: We increased organizational accountability to reconciliation and continued to support Indigenous post-secondary students.

- Considered safety equity and Indigenous reconciliation in the 2026 Business Plan.
- Awarded five Indigenous post-secondary students Technical Safety BC-funded bursaries. Three students received \$4,000 each through our partnership with the Nicola Valley Institute of Technology, and two students received \$2,000 each through our partnership with the New Relationship Trust.

Strategic Direction 2 – Cultural Safety: Create a safe and inclusive workplace for Indigenous employees to join and thrive.

2025 progress: We continued to increase employees' awareness and knowledge of reconciliation and Indigenous cultures and issues by providing mandatory training and other learning opportunities.

- Launched Phase 2 of our Reconciliation Learning Plan, partnering with Len Pierre Consulting to provide two in-person training workshops for employees: "Introduction to Cultural Safety" and "Two-Eyed Seeing."
- Planned for Phase 3 of our Reconciliation Learning Plan (role-specific training) in Operations by piloting specific training for safety officers.
- Ensured all new employees complete introductory Indigenous Awareness training as part of their onboarding, in alignment with Call to Action 92.
- The Indigenous Relations Employee Resource Group organized nine events and educational opportunities throughout the year, including red dress displays at offices across the province, a virtual bannock bake-along, internal blog posts, film screenings, and guest speakers.

Strategic Direction 3 – Safety Equity: Support optimal safety of technical systems on Indigenous land.

2025 progress: We continued to examine our role in safety equity by working internally and with partners to better understand the connections between our safety system and Indigenous Nations.

- Initiated analysis of our permit and incident data to learn about Indigenous communities' connections to our safety system.
- Delivered a facilitated workshop involving leaders and frontline employees to build awareness of culturally safe practices and strengthen understanding of Indigenous ways of being, knowing, and doing.

Engagement, Advisory Groups, and Committees

Engaging with Technical Safety BC gives industry a voice in improving the safety system. Through our engagement work, we bring together the perspectives of industry workers, licence and permit holders, manufacturers, associations, trade unions, other regulators, government, and the public. Their feedback and insights are foundational to understanding how regulations and services can adapt to support the evolution of technical safety in the province.

Advisory Groups and Committees

We engage industry experts who provide input and recommendations on topic-specific issues related to designing, implementing, and evaluating safety policy and regulation; service design; and technical safety programs.

A very special thank you to the following experts for volunteering their time to work with us on the following advisory groups and committees in 2025.

Business Transformation Advisory Group

The Business Transformation Advisory Group represents a cross-section of industry professionals whose purpose is to provide early input on how we improve the value of our services as we transform our business. They advise on issues clients may face when interacting with us, from change management and communication strategies to the interface of our Online Services portal. In 2025, the advisory group provided feedback on their industries' experience with certificate and licence renewals following the implementation of these two phases of our business transformation project.

The advisory group also provided input on our plans for upgrading our permit process, the next phase of this project. They described the issues they experienced while obtaining permits, understanding their responsibilities as duty holders, and managing documentation for inspections and permits. Their input will help us improve the client experience as we redevelop how we manage permits.

Doug Cordero
Slope Side Mechanical

Jon Fairbrother
Prime Engineering

Richard Matthews
District of Squamish

Daniel J Mott
Mott Electric

Carmen De Goey
Camosun College

Oskar Kwieton
Shape Property
Management

Shawne McCorkell
Houle Electric

Clayton Mullen
University of British
Columbia Plant
Operations

Sue Edmondson
TK Elevator

Sandra LeNoble
RAM Mechanical

Matt McInnis
Electrical Contractors
Association of British
Columbia

Dale Risvold
Canem Systems

Licensee Education Advisory Group

We recruited nine licensed contractors representing various technologies to participate in a pilot for a Licensee Education Advisory Group to better understand their learning needs and co-create educational materials. In collaboration with this group, we developed a [blog post](#) and voluntary online course focused on licence holders' legal responsibilities. We tested the effectiveness of the blog post with a second pilot group of over 200 gas contractors. This included a pre- and post-campaign survey that found the contractors who read the blog post were more likely to improve their understanding of legal responsibilities compared to those who did not read it.

Dan Clark
Clark Commercial
HVAC Services

Peter Joseph
Mott Electric

Neil Roberts
Roberts Electric

Luciano De Marchi
Cana Systems

Tiago Monteiro
Citywide Electric

Brad Vonkeman
Prime Boiler Services

Doug Gorcak
DG Environmental

E Douglas Nott
DLN Enterprise
Solutions

Mike Wiens
Prime Boiler Services

Consultations

Consultation is a formalized process that enables industry to provide feedback on regulatory changes, safety initiatives, and fee-setting. We invite industry to share their insights on our active projects through our [Engage portal](#). In 2025, we engaged industry in three formal consultations:

- 1. Secondary Coolant Systems Directive:** We consulted on a draft directive that clarified requirements for refrigeration plants using a secondary coolant. Expanding on a previous [Safety Order for ammonia plants](#), this directive clarified requirements for testing the secondary coolant for the presence of refrigerant leaks, and requirements for new installations to choose a method of preventing equipment over-pressurization. The feedback helped identify where we could adjust our approach and clarify our language. We issued the final [Directive: Secondary Coolant Systems](#) in December 2025.
- 2. Plant Supervision Requirements Directive:** We consulted on a draft directive that aligns the complex needs of boiler, pressure vessel, and refrigeration plants with supervision requirements. The directive provides flexibility for plant owners, chief engineers, and persons in charge to develop procedures describing their plant premises, immediate vicinity, and controls needed to operate and maintain their plant safely. The feedback helped us clarify the intent of the directive. We issued the final [Directive: Plant Supervision Requirements: Definition of Immediate Vicinity](#) in December 2025.
- 3. General Fee Consultation 2026–2028:** As a not-for-profit safety regulator, our fees recover the costs of delivering our core activities such as physical assessments, travel to worksites, compliance and enforcement investigations, development and maintenance of our online services, incident investigations, and improvements to codes and regulations. In 2025, we consulted on a general fee increase to recover costs and develop infrastructure to support our operations. In addition, we proposed changes that would simplify how we charge fees for boilers, pressure vessels, and refrigeration, and introduced new fees to recover the costs of support services for railways, alternative safety approaches, and compliance and enforcement.

Surveys

To leverage data and better understand where we can improve our services, we conduct periodic surveys to measure client satisfaction and trust.

Trust Index

In 2025, we introduced the Trust Index Metric (HXTrustID) to establish a baseline to measure and track client trust over time. The HXTrustID evaluates four core dimensions of trust—**Humanity, Capability, Transparency, and Reliability**—and provides a structured way to monitor how clients perceive our organization. This supports the transactional feedback we regularly collect through the Client Satisfaction Survey and Net Promoter Score.

Over 500 clients and safety partners responded to this first Trust Index survey, revealing their perceptions on our:

- **Humanity:** Overall, clients agree that we respect and take care of clients and partners, and that issues are resolved with safety, security and satisfaction top of mind.
- **Capability:** Clients regard our employees and leadership as competent; however, they are less agreeable that our services are good quality, accessible, and reasonable for the fees they pay.
- **Transparency:** Clients agree that marketing and communications are clear, specifically regarding fee changes, but feel we are less transparent about how fees are spent and how data is used.
- **Reliability:** Clients tend to agree that we ensure issues are resolved adequately and in a timely manner.

Responses highlighted how Online Services remains a critical tool for day-to-day business needs, and that the technical issues we faced in Q3 impacted our clients' ability to transact with us easily and effectively. Additionally, clients want to see more active involvement from TSBC in grey market and enforcement initiatives, with stricter penalties for those working outside the safety system.

Client Satisfaction Survey (CSat)

Our Client Satisfaction (CSat) survey measures how satisfied clients are with their recent experience interacting with us through all channels and identifies specific issues that consistently impact them.

The overall score for client satisfaction in 2025 is 80%, lower than our target of 85%. Earlier in the year, analysis showed clients' top pain points were certification wait times, the online exam process, and our Online Services.

Net Promotor Score (NPS)

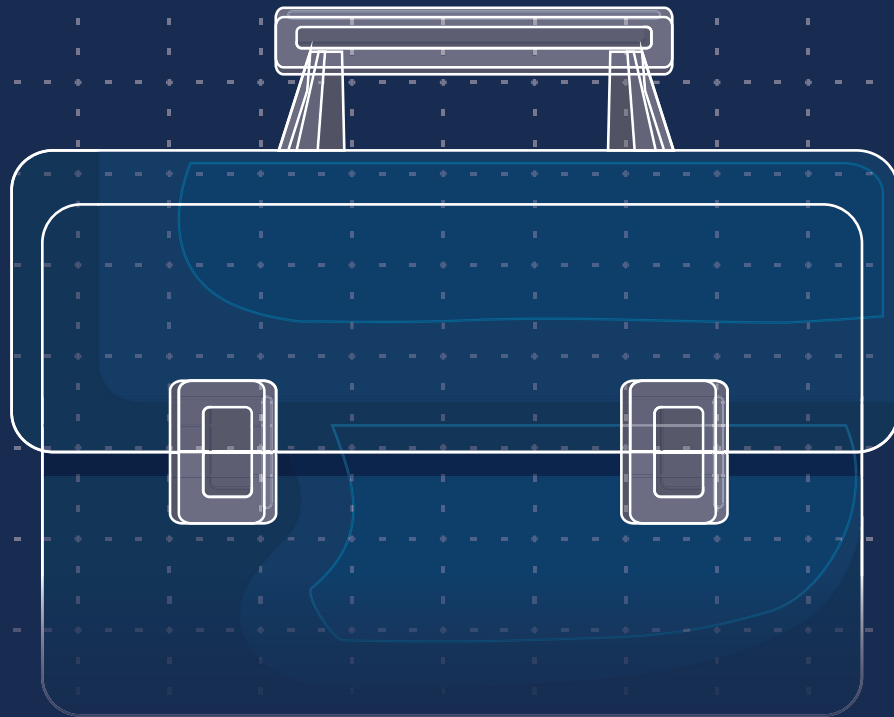
The Net Promotor Score (NPS) is a survey embedded into our Online Services portal to gain real-time feedback of clients' experience using the portal for their transactions. NPS is calculated by subtracting detractors (people with negative scores) from supporters. It measures on a scale from -100 to 100.

The NPS for all of 2025 was 14. This is lower than previous years, as we saw a large drop toward the end of Q3 and into Q4 related to our Online Services upgrade.

Additional Contributions

We would like to thank everyone who contributed insights and feedback to us through focus groups, usability tests, interviews, and surveys. Safety is a shared responsibility, and the knowledge of BC's experts and industry professionals is crucial to evolving our safety system. More information about our client engagement work can be found in our [2025 State of Safety report](#).

Corporate Governance



The Safety Authority Act created BC Safety Authority (now operating as Technical Safety BC) and contains the basic rules by which the organization is governed. The Act is supplemented by a Board Governance Manual, Administrative Agreements with the Province of BC, and Protocol Agreements.

The Board



George Abbott Chair of the Board

Location: Victoria, BC

Director since: January 6, 2014

Latest date for retirement: April 1, 2027

Appointed by: Board

Positions held: Ex officio, Governance & Human Resources Committee; Ex officio, Finance & Audit Committee; Ex officio, Strategic Advisory Committee

George is a veteran politician with a PhD in political science from the University of Victoria. First elected as an MLA for the Shuswap in 1996, George has served as Minister of Education; Minister of Aboriginal Relations and Reconciliation; Minister of Health; Minister of Community, Aboriginal and Women's Services; and Minister of Sustainable Resource Management.



Manjit Bains

Location: Victoria, BC

Director since: March 18, 2024

Latest date for retirement: March 18, 2027, eligible for renewal

Appointed by: Minister

Positions held: Member, Finance and Audit Committee; Member, Governance and Human Resources Committee¹

Manjit is a CPA, CMA, ICD.D and is the President and founder of Bains Strategies Inc., providing strategic advisory, transformation, leadership, and governance services. She has held past positions as VP of Corporate Relations and Corporate Secretary with Consumer Protection BC with a focus on business development, policy and legislation, media and stakeholder relations, call centre services, consumer education and marketing, and brand development. She also held positions with the BC Ministry of Tourism, BC Ministry of Attorney General, and the Ministry of Public Safety and Solicitor General.

¹ Member appointed on July 21, 2025



John Bell

Location: Vancouver, BC

Director since: July 3, 2025

Latest date for retirement: July 3, 2028, eligible for renewal

Appointed by: Minister

Positions held: Member, Finance Audit Committee;
Member, Strategic Advisory Committee

John brings over 25 years of experience in British Columbia's housing sector, having served in senior leadership roles at two provincial Crown corporations including BC Housing and the Homeowner Protection Office. During his tenure at BC Housing, John was executive lead for corporate governance, strategic planning, sustainability, and enterprise risk management. Throughout his specialized career, he has developed meaningful partnerships within the housing industry. John retired from BC Housing in February 2021 and is a proud member of the LGBTQ+ community.



Jeremy Coughlin

Location: Delta, BC

Director since: February 18, 2020

Latest date for retirement: February 17, 2026

Appointed by: Board

Positions held: Member, Strategic Advisory Committee;
Member, Finance and Audit Committee

Jeremy brings a wealth of experience in data analytics, currently serving as VP, Enterprise Analytics for Coast Capital Savings. Prior to this, Jeremy led the business intelligence practice at Ritchie Bros. Auctioneers, transforming how the company uses data, resulting in major customer satisfaction improvements, over \$1B in shareholder value, and national recognition.



Abigail Fulton

Location: Victoria, BC

Director since: April 1, 2024

Latest date for retirement: March 31, 2027, eligible for renewal

Appointed by: Board

Positions held: Member, Strategic Advisory Committee; Member, Governance and Human Resources Committee²

Abigail holds a Bachelor of Laws and is the Executive Director, Construction Foundation of BC. She has extensive experience working with industry and government on regulatory and policy issues impacting the construction industry. Abigail has been active in promoting industry training, apprenticeship, and supporting workforce development. She has held previous positions at the BC Construction Association as Vice President and previously practiced law in Manitoba.



Ivan Limpricht³

Location: Abbotsford, BC

Director since: July 3, 2019

Latest date for retirement: July 3, 2025

Appointed by: Minister

Positions held: Member, Finance and Audit Committee;
Member, Governance and Human Resources Committee

Ivan is the former president of the United Food and Commercial Workers Union (UFCW), the largest private sector union in BC. Active in his community, Ivan has served as a board director for the BC Forum and Concert Properties Ltd., and as Chair of the Board of Trustees for UFCW's pension plan and Health and Welfare Benefits Plan.

² Member appointed on July 21, 2025

³ Retired from the Board on July 3, 2025



Wency Lum

Location: Victoria, BC

Director since: July 3, 2022

Latest date for retirement: July 3, 2028

Appointed by: Minister

Positions held: Member, Strategic Advisory Committee;
Member, Governance and Human Resources Committee⁴;
Member, Finance and Audit Committee⁵;

Wency is an Associate VP, University Systems and CIO at the University of Victoria. Wency has held several leadership positions in IT within the Government of BC and worked as an information security consultant for multiple sectors in the US. She began her career implementing financial and supply chain management systems for United Nations peacekeeping missions.



Cathy McIntyre

Location: Victoria, BC

Director since: April 1, 2024

Latest date for retirement: March 31, 2027, eligible for renewal

Appointed by: Board

Positions held: Member, Governance and Human Resources Committee;
Member, Strategic Advisory Committee⁶

Cathy holds a Master of Business Administration and is founder and principal of Strategic Initiatives, a strategic and marketing consultancy. She has held past positions in consumer goods and the media with experience in marketing, branding, communications, consumer research, and stakeholder engagement. A Chartered Director (C. Dir), she currently serves on the Boards of First West Credit Union and Engineers and Geoscientists BC.

⁴ Member ceased on July 21, 2025

⁵ Member appointed on July 21, 2025

⁶ Member appointed on July 21, 2025



Daniel Smythe

Location: Mission, BC

Director since: April 11, 2021

Latest date for retirement: April 10, 2027

Appointed by: Board

Positions held: Chair, Strategic Advisory Committee

Daniel is an associate professor of electrical instruction at the University of the Fraser Valley. He is the former owner of Zimcan Electrical Contracting and holds both Red Seal and Field Safety Representative certifications. Daniel is a member of the BC Electrical Instructors Articulation Committee, supporting collaboration among training providers related to apprenticeship training programs across BC.



Ken Tourand

Location: Merritt, BC

Director since: January 7, 2020

Latest date for retirement: January 6, 2026

Appointed by: Board

Positions held: Member, Finance and Audit Committee;
Member, Governance and Human Resources Committee

Ken is the former President and CEO of the Nicola Valley Institute of Technology, BC's Indigenous public post-secondary institution. Ken has a bachelor's degree from SFU, a Masters Degree from Royal Roads University and has completed his ICD.D certification from the Institute of Corporate Directors. He has previously served on the boards of the BC Association of Institutes and Universities and the Post Secondary Employers Association and is past chair of the Colleges and Institutes Canada Indigenous Advisory Committee.



Angela Wesley

Location: Terrace, BC

Director since: January 7, 2020

Latest date for retirement: January 6, 2026

Appointed by: Board

Positions held: Chair, Governance and Human Resources Committee

Angela has provided governance advisory and facilitation services to First Nations and other governments throughout BC through her consultancy firm since 1992. She currently serves on various boards, including Commissioner on the BC Treaty Commission and board director of the BC Land Title and Survey Authority. Angela supports her First Nation (Huu-ay-aht) in implementing their modern-day treaty including serving as Speaker for the Huu-ay-aht legislature.



Shelley Williams

Location: Langley, BC

Director since: February 20, 2023

Latest date for retirement: February 19, 2029

Appointed by: Board

Positions held: Chair, Finance and Audit Committee

Shelley is a FCPA/FCA with an extensive corporate finance and capital markets background. She has held senior positions at several large companies, including VP, Corporate Treasurer at Finning International, and Corporate Treasurer at Fletcher Challenge Canada. She serves on boards for the Bank of Canada and Boston Pizza Royalties Income Fund, and previously served on the boards of Concentra Bank, BC Life & Casualty Company, Douglas College, and the BC Securities Commission — where she held board leadership roles.



Michael Wrinch⁷

Location: North Vancouver, BC

Director since: April 2, 2023

Latest date for retirement: April 1, 2026

Appointed by: Board

Positions held: Member, Strategic Advisory Committee;
Member, Finance and Audit Committee

Michael is a professional electrical engineer with a PhD in power systems from the University of British Columbia. He is the president of Hedgehog Technologies Inc. and specializes in the research and development of advanced energy infrastructure and marine electrical technology. He has served on multiple boards, including Engineers and Geoscientists of BC and Engineers Canada. He has extensive experience collaborating with Indigenous communities to develop renewable energy systems. He is a fellow at Engineers Canada.

⁷ Retired from the Board on March 7, 2025

The Role of the Board

Technical Safety BC is governed by a Board of Directors that provides oversight to ensure we are prudent, transparent, and collaborative in our practices. The Board has the fiduciary responsibility to oversee the conduct of our business and ensure that all major issues affecting the business and affairs of the organization are given proper consideration. In performing its functions, the Board also considers the legitimate interests of industry, communities, and government.

Director Selection

Directors are appointed based on merit. They must meet the qualifications established in the Safety Authority Act, and abide by a [code of conduct](#) and our [governance manual](#).

The [Safety Authority Act](#) states that the Board will consist of at least nine, but no more than 15 members. The Minister may appoint up to three directors. The remaining directors are appointed by the sitting directors. Non-government candidates for the Board are screened and shortlisted by a nominating committee based on their knowledge, skills, and abilities. The sitting directors make final selections from a list of suitable candidates provided by the nominating committee.

As of December 31, 2025, the Board consists of eleven members, three of whom were appointed by the Minister.

Board and Committees

In 2025, the Board exercised its oversight responsibilities by reviewing and/or approving various reports and management updates on matters such as:

- The organization's cybersecurity readiness, including the review of independent penetration test results, monitoring progress on security audit remediation, and overseeing key risk management activities including vulnerability management, third party cyber risk monitoring, and organizational security training.
- Reports on the organization's enterprise risk management framework and portfolio of risks.
- Reports on the organization's role in tariff response.
- Governance of the organization's use of artificial intelligence and strategy.
- Reports on the organization's Climate Action Plan together with the impacts of climate on the risk profile of the various technical systems and equipment our organization regulates.
- Reviewing the organization's environmental, social and governance commitment framework and progress on the key elements such as advancements in the areas of Indigenous Reconciliation and Partnerships, building climate resiliency, and successfully reducing our greenhouse gas emissions.
- Reviewing and assessing the organization's progress on its multi-year digital transformation initiative.
- Approving the organization's financial statements and engaging with both external and internal auditors to review the adequacy of our internal controls and processes.
- Together with the Senior Leadership team, regularly reviewing and supporting the adherence to and ongoing evolution of the organization's strategic direction and plan.
- Received reports of concerning activity or conduct, as well as material complaints.

The work of the Board is supported by committees that provide additional focus on matters such as:

- financial affairs, audits, insurance and investments;
- governance and nominating functions, President and Lead Executive Officer performance evaluation and recruitment, compensation, and other human resources matters;
- technical and enterprise risk oversight;
- regulatory development and compliance; and
- strategic advice and oversight.

Effective July 21, 2025, the committee structure and membership included:

Finance and Audit Committee

Members: Shelley Williams, Chair

Manjit Bains
Jeremy Coughlin
Ken Tourand
Wency Lum
John Bell
George Abbott, Ex officio

Governance and Human Resources Committee

Members: Angela Wesley, Chair

Manjit Bains
Abigail Fulton
Cathy McIntyre
Ken Tourand
George Abbott, Ex officio

Strategic Advisory Committee

Members: Daniel Smythe, Chair

John Bell
Jeremy Coughlin
Abigail Fulton
Wency Lum
Cathy McIntyre
George Abbott, Ex officio

Each committee operates according to a Board-approved mandate outlining its duties and responsibilities. When required, these committees make recommendations to the Board for approval.

The Finance and Audit Committee

The Finance and Audit Committee assists the Board in fulfilling its oversight responsibilities relating to financial reporting, treasury management, accounting systems, budgets, internal controls, and the audit process. The Chair of the Finance and Audit Committee is required to be a financial expert. The Finance and Audit Committee's accomplishments in 2025 included:

- Reviewing the organization's investment portfolio, reserve requirements, and asset mix, and recommending⁸ revisions to the Marketable Investment Policy.
- Reviewing the custodial agreement and authorized signatories.
- Reviewing Technical Safety BC's report on investment performance, and performance of external investment manager.
- Reviewing and approving the Spending Authority Policy and providing oversight to management's internal financial controls framework.
- Reviewing the quarterly 2025 financial performance and outlook (including health metrics reporting on strategy implementation of financial health).
- Reviewing the long-term financial scenario modelling.
- Reviewing the 2024 audited financial statements and Management Discussion, and Analysis with management and the external auditor, and recommending them to the Board of Directors.
- Approving the appointment of the External Auditor.
- Reviewing and approving the external auditor's plan to audit the 2025 annual financial statements.
- Reviewing the quality of the external financial statement audit, the audit team, and the audit partner.
- Reviewing and recommending the 2026 Operating and Capital Budget to support delivery of strategic priorities outlined in the 2026-2028 Business Plan.
- Providing oversight and project governance to the digital transformation project and budget with respect to strategy, risk and regulatory activities, and all applicable expenditures; and receiving quarterly project reports including an in-depth project governance review.
- Reviewing the Benefits Realization plan for the digital transformation project.
- Approving the appointment of the Director, Internal Audit.
- Reviewing and approving the internal auditor's 2025 annual audit plan, and reviewing regular reports by internal and external auditors on various audits performed while monitoring management's responses.
- Reviewing and approving the Internal Audit Charter.
- Reviewing and evaluating the performance of the internal auditor.
- Reviewing the 2024 insurance claims experience and recommending the 2025-2026 insurance coverage and renewal.
- Reviewing the performance and renewal of the insurance broker.
- Reviewing fee setting plans and initiatives including the 2026-2028 General Fee Increase, consistent with the Board approved fee setting and governance process.
- Reviewing directors' fees and expenses for 2024.
- Reviewing and recommending the 2025 calendar of reporting and committee workplan.

⁸ "recommending" hereafter refers that the Committee recommending to the Board for approval

Governance and Human Resources Committee

The Governance and Human Resources Committee assists the Board in oversight responsibilities relating to governance, compensation, and human resource policies and strategies. This committee also serves as the Nominating Committee for new Board Director recruitment.

The Governance and Human Resources Committee's accomplishments in 2025 included:

- Reviewing the skills and experience of Board members, identifying ongoing needs of the Board, and commencing Board director recruitment for three positions.
- Reviewing and recommending term renewal of Ministerial appointee and Board appointee.
- Providing oversight on the Board orientation process for one new Board member in Q3.
- Providing oversight on operational items including, Board effectiveness and recommending Executive compensation.
- Reviewing and recommending the corporate measure results for the 2024 Variable Incentive Plan (for Excluded Employees).
- Reviewing the 2025 Variable Incentive Plan (for Excluded Employees) measures definition documents and progress of the 2025 Business Plan and Variable Incentive Plan.
- Reviewing and recommending the 2026 Variable Incentive Plan (for Excluded Employees).
- Reviewing the annual conflict of interest declarations of directors and officers.
- Reviewing the annual reporting of the organization's compliance with the principal legislative, regulatory, and contractual requirements to which it is subject, including compliance with the Public Interest Disclosure Act.
- Reviewing the annual reporting of freedom of information and ombudsperson summary.
- Conducting the annual review of Technical Safety BC's governance practices and recommending the 2025 Calendar of Reporting and Board and Committee workplan.
- Reviewing and recommending 2025 performance plans and evaluated the 2024 performance of the President and Lead Executive Officer and the Corporate Secretary.
- Reviewing the succession plan for the President and Lead Executive Officer.
- Reviewing the performance and compliance of management concerning occupational health and safety and the program.
- Reviewing the state of the organization's culture (including health metrics reporting on strategy implementation).
- Reviewing and recommending approval of the 2024 Annual Report content.
- Reviewing and approving arrangements for the 2025 Annual Public Meeting.
- Providing oversight on collective bargaining.
- Providing oversight and governance of the 2025 environmental, social, and governance (ESG) framework and long-term outcomes and next steps for the organization's inclusion, diversity, equity, and accessibility (IDEA) work, climate action strategy, and Indigenous reconciliation and partnerships; and
- Reviewing the progress of the 2024 ESG targets, and measures.

Strategic Advisory Committee

The Strategic Advisory Committee assists the Board in fulfilling its oversight responsibilities by reviewing management's recommendations relating to strategic planning, implementation of key strategic initiatives, regulatory responsibilities, stakeholder consultation, and safety oversight.

The Strategic Advisory Committee's accomplishments in 2025 included:

- Guiding the annual strategic planning process.
- Providing oversight on health metrics reporting on strategy implementation of safety system risk, safety behaviour, and market participation.
- Reviewing and recommending the 2026–2028 Business Plan.
- Providing oversight and supporting Technical Safety BC's climate action and sustainability work focused on reducing the organization's greenhouse gas emissions and furthering our environmental, social, and governance mandate and reporting; building resiliency in the safety system through climate adaptation; and supporting efforts to reduce emissions in BC, in alignment with the Provincial Government's CleanBC Plan, and CSA code change work.
- Providing oversight of Technical Safety BC's Indigenous reconciliation and partnerships work.
- Reviewing Management's response plans: Business Continuity Plan, Crisis Communications Plan, and Critical Incident Response capability and preparedness.
- Reviewing data and artificial intelligence (AI) governance practices, policy, and AI strategy development.
- Reviewing and approving the State of Safety Report.
- Reviewing Incident Investigations' learnings, Compliance and Enforcement program development, and unpermitted work capture progress.
- Reviewing the Information Technology and Information Security strategy, (except for the digital transformation project, which is overseen by the Finance and Audit Committee).
- Reviewing the Structured Resource Allocation Program progress and value of machine learning in assessment operations.
- Receiving reports on technical risk registries and operational activities including education and enforcement.
- Receiving updates on market insights and stakeholder engagement activities and the communications strategy.
- Reviewing regulatory change plans and management's recommendations for amendment of legislation to the Province of British Columbia to update reference standards, improve the safety system, and evolve the governing legislation and regulations in accordance with Technical Safety BC's Strategy.
- Reviewing and recommending the 2025 calendar of reporting and Committee workplan.

Directors' Attendance

In 2025, there were four regularly scheduled Board meetings, one special meeting, a two-day strategic planning session, and an Annual Public Meeting. The following table illustrates the number of meetings each director attended, as compared to the number of meetings each director was eligible to attend, between January 1, 2025, to December 31, 2025.

Directors	Board Meetings (8* Held)	Finance & Audit (5 Held)	Governance & Human Resources (10 Held ⁹)	Strategic Advisory (4 Held)	Total
George Abbott	9/9 ¹⁰	5/5	10/10	4/4	28/28
Manjit Bains	8/8	5/5	2/2	1 ¹¹	16/16
John Bell ¹²	4/4 ¹³	3/3	1 ¹⁴	2/2	10/10
Jeremy Coughlin	8/8	4/5	–	3/4	15/17
Abigail Fulton	8/8	1 ¹⁵	2/2	4/4	15/15
Ivan Limpright ¹⁶	6/6	2/2	3/4	–	11/12
Wency Lum	6/8	3/3	8/10 ¹⁷	3/4	20/25
Cathy McIntyre	8/8	–	5/6	2/2	15/16
Daniel Smythe	8/8	–	–	4/4	12/12
Ken Tourand	7/8	5/5	10/10	–	22/23
Angela Wesley	8/8	1 ¹⁸	10/10	–	19/19
Shelley Williams	8/8	5/5	–	–	13/13
Michael Wrinch ¹⁹	–	1/1	–	1/1	2/2

* Each day of the 2-day Board Strategic Planning session is counted as a separate meeting for attendance purposes.

⁹ Includes 4 Nominating Committee Meetings and two-day interviews

¹⁰ Includes a 1-day Board Orientation session

¹¹ Attended 1 meeting as an observer

¹² Appointed as Director effective July 3, 2025

¹³ Includes a 2-day Board Orientation session

¹⁴ Attended 1 meeting as an observer

¹⁵ Attended 1 meeting as an invited Committee guest

¹⁶ Ceased to be a Director effective July 3, 2025

¹⁷ Ceased to be a member of the Committee effective July 21, 2025; Attended 4 19 Nominating Committee Meetings and Interviews

¹⁸ Attended 1 meeting as an invited Committee guest

¹⁹ Retired from the Board on March 7, 2025

Directors' Compensation

The Governance and Human Resources Committee is responsible for making recommendations to the Board regarding director compensation. An independent review and benchmarking of Technical Safety BC's director compensation practices was conducted in 2024, resulting in an adjustment to annual retainers effective January 1, 2025. No changes were made to meeting fees. Prior to this, the last independent review and compensation adjustment was conducted in 2018.

Director compensation is set at such a level to:

- Affirm the directors' responsibilities and the professional nature of the work that directors are expected to perform.
- Attract and retain qualified individuals to serve as directors.
- Partially compensate directors for their time and lost opportunity costs and be seen as "value received" for value given.
- Foster high levels of engagement and commitment to best-in-class governance.
- Recognize the different levels of time and responsibility associated with the Board Chair, Committee Chair, and director positions.
- Recognize an element of public service.
- Reflect Technical Safety BC's values.

The following table shows director compensation as of December 31, 2025.

Fee	2025 \$
Annual retainer – Chair	55,000
Annual retainer – Finance and Audit Committee Chair	31,600
Annual retainer – Governance and Human Resources Committee Chair	31,600
Annual retainer – Strategic Advisory Committee Chair	31,600
Annual retainer – Directors	25,000
Board/Committee meetings fee	825
Maximum daily meeting fee	1,650
Meetings of less than two hours	400

Directors' Retainer and Meeting Fees

The following table reflects the total retainers and meeting fees earned by directors in 2025 as compared to 2024.

Directors	2025 Retainer	2025 Meeting Fee	Total Retainer/ Fee 2025	Total Retainer/ Fee 2024
	\$	\$	\$	\$
George Abbott (Board Chair)	55,000	22,250	77,250	66,300
Manjit Bains	25,000	11,950	36,950	19,950
John Bell ²⁰	12,500	7,425	19,925	N/A
Jeremy Coughlin	25,000	11,950	36,950	25,775
Abigail Fulton	25,000	11,950	36,950	19,125
Ivan Lamplight ²¹	12,500	8,225	20,725	28,250
Wency Lum	25,000	15,225	40,225	24,950
Cathy McIntyre	25,000	11,525	36,525	19,950
Daniel Smythe (Committee Chair)	31,600	9,475	41,075	25,925
Ken Tourand	25,000	17,300	42,300	24,950
Angela Wesley (Committee Chair)	31,600	14,825	46,425	31,550
Shelley Williams (Committee Chair)	31,600	10,300	41,900	29,075
Michael Wrinch ²²	4,583	1,650	6,233	24,125
Total	329,383	154,050	483,433	356,025

²⁰ Appointed to the Board on July 3, 2025

²¹ Retired from the Board on July 3, 2025

²² Retired from the Board on March 7, 2025

The Executive Team



Phil Gothe
President and Lead Executive Officer

Phil believes that the primary role of leadership is to imagine and create conditions for thriving. Known as a caring and thoughtful leader, Phil operates by his philosophy "To Live is to Lead." He believes that everyone has the opportunity to lead in their personal and professional lives for the collective benefit of everyone.



Archana Aggarwal
Vice President, People

Archana is driven by a genuine desire to witness the growth and triumph of others. She strives to create an environment that nurtures talent and enables personal and professional development. Her leadership style is focused on collaboration and elevating others, fostering a culture of shared success at Technical Safety BC.



Kate Baillie
Vice President, Marketing and Communications

Kate has spent her career putting clients and teammates at the centre of what she does. She is a curious and inspiring leader who looks at opportunities holistically to motivate and engage teams towards practical, multi-dimensional solutions. Comfortable in a constantly changing landscape, she listens actively and digs for the truth, using observation and data to build cases for change.



Wesley Ma
Vice President, Finance

Wesley has an innate ability to humanize finance by drawing employees into the stories behind the numbers and making them come to life. He's a solution-oriented leader known for navigating strategic and financial complexity with thoughtfulness. As a skilled listener, he draws from multiple sources of insight to solve challenges and enable opportunities that bring broad benefit to our people and clients.



Kate Parker
Vice President, Operations

Kate is a dynamic leader with a steadfast belief that organizations thrive at the intersection of business strategy, human-centred leadership, and innovative culture. With a career marked by a commitment to servant leadership, an innate ability to identify emerging opportunities, intuitive foresight, and a deep belief in the power of diversity, Kate has been a driving force behind successful strategic initiatives.



Derek E. Patterson
Vice President, Regulatory Leadership and Corporate Secretary

Derek actively supports individuals and initiatives that improve technical safety in BC. His extensive professional experience underpins a principled, comprehensive and astute capacity for strategy and problem solving. He is courageous in his leadership of peers and reports alike, respectfully challenging and empowering individuals in their contributions to the organization.



Claudio Pini
Vice President, Business Transformation and Technology

Claudio is a true transformer of organizations. Using his gift for facilitating proactive discussions to get to the heart of our organization's needs, he develops strategies to leverage technology in ways that support and enable people to achieve positive outcomes for Technical Safety BC, our clients, and the public.



Abraham van Poortvliet
Vice President, Data Analytics and Decision Science

Exploration and discovery have been recurring themes in Ab's life. In his role of VP, Data Analytics and Decision Science, he now supports others in their discovery and innovation. By nurturing leadership in others, Ab aims to create a culture of experimentation and learning that propel safety knowledge and action. Together with his team, Ab carries responsibilities for research and analytics, business intelligence, engineering, incident investigation, and risk management.

Executive Compensation

Name & Principal Position	Salary	Incentive Plan Compensation Paid	Pension	Health & Wellness Benefits	All Other Compensation Paid	Total	Previous Two Years' Totals
	\$	\$	\$	\$	\$	\$	\$
	(A)	(B)	(C)	(D)	(E)		
Phil Gothe President & LEO	325,576.80	123,871.62	32,069.27	11,518.33	13,953.00	506,989.02	2024 = 478,264.02 2023 = 438,663.82
Kate Baillie VP, Marketing & Communications	265,047.20	71,348.04	26,107.10	9,565.80	9,120.00	381,188.14	2024 = 359,017.38 2023 = 329,233.06
Kate Parker VP, Operations	251,195.52	67,427.84	24,766.81	9,998.92	10,373.00	363,762.09	2024 = 343,743.34 2023 = 298,984.14
Derek Patterson VP, Regulatory Leadership & Corporate Secretary	274,696.00	74,058.08	27,057.60	9,494.59	12,995.84	398,302.11	2024 = 379,987.53 2023 = 351,074.02
Claudio Pini VP, Business Transformation & Technology	230,596.80	60,764.98	22,713.84	9,633.95	10,353.00	334,044.57	2024 = 315,863.65 2023 = 291,131.13
Ab van Poortvliet VP, Data Analytics & Decision Science	227,522.40	61,342.17	22,410.99	7,154.59	8,525.00	326,955.15	2024 = 315,243.00 2023 = 290,784.55
Wesley Ma VP, Finance	225,064.00	59,316.93	22,168.72	9,558.53	11,148.00	327,256.18	2024 = 308,088.86 2023 = 291,010.87
Archana Aggarwal VP, People	214,294.40	54,707.10	21,108.11	9,381.07	10,353.00	309,843.68	2024 = 280,158.32 2023 = 101,691.92

(A) Salary earned
(B) Variable Incentive Pay
(C) Pension

(D) Extended Healthcare, Dental, Group Life, Long Term Disability, Short Term Disability, Accidental Death and Dismemberment
(E) Taxable car benefits and other allowances.

Executive Compensation Plan

The objectives of Technical Safety BC's executive compensation plan are to:

- open configuration options;
- attract and retain capable individuals with diverse skill sets;
- remain internally fair and externally competitive;
- demonstrate sensitivity to the clients, partners, and communities we serve;
- offer a total rewards package that balances stable elements of compensation with at risk pay; and
- achieve alignment of our priorities and efforts to our Strategy and three-year Business Plan.

Technical Safety BC's executive compensation plan comprises the following:

- **Base salary:** Technical Safety BC establishes salary ranges according to a blended market position that is midway between the public not-for-profit sector and the private sector markets. The range spans from 80% to 120% of the blended market median. Placement within the salary range depends on the competence, experience, and level of contribution to the Business Plan and Strategy.
- **Variable Incentive Plan:** This element is the at-risk portion of annual compensation and is dependent on the achievement of critical corporate performance established annually by the Board of Directors, and individual objectives aligned to our Strategy. It is also intended to reinforce our value of accountability at the leadership level within the organization. Corporate performance is assessed by management, available for audit by the Internal Audit team, and approved by the Board's Governance and Human Resources Committee at year end. The Board of Directors assesses the performance of the President and Lead Executive Officer and the Corporate Secretary annually. The President and Lead Executive Officer assesses the performance of the other executive team members.
- **Pension plan:** Technical Safety BC supports a pension plan that will contribute to the financial well-being of employees in their retirement years.
- **Health and wellness benefits:** A mix of extended health, dental, and income protection benefits are offered to support the health of employees.
- **Car allowance:** A monthly car allowance is provided to account for business travel using a personal vehicle.

Management Discussion and Analysis



Purpose and Framing

This Management Discussion and Analysis (“MD&A”) provides an overview of Technical Safety BC’s operating and financial performance for the year ended December 31, 2025. It is intended to assist readers in understanding the organization’s results, financial position, key risks, and outlook, and should be read in conjunction with the audited financial statements and accompanying notes.

Mandate and Role

As a self-funded not-for-profit organization, Technical Safety BC operates within a long-term financial planning strategy, balancing its investments in the safety system over a period of years. Technical Safety BC builds capabilities that sustainably advance safety at scale. Investment in employees, training, tools, and technology support our work in assessment, research, education and outreach, incident investigations, and enforcement, which is essential to achieving our objectives and advancing technical safety in the province.

Performance is measured not only by activity volumes, but by the effectiveness of safety systems, compliance levels, and service sustainability.

Executive Summary

In 2025, Technical Safety BC delivered on its public safety mandate in an external operating environment characterized by sustained construction activity, increasing technical complexity, and continued pressure on skilled labour availability. Operationally, the organization focused on maintaining service delivery while investing in workforce capability, system modernization, and safety oversight. Financially, Technical Safety BC operated within its self-funded model, with revenues and expenses largely driven by permit volumes and staffing requirements.

Technical Safety BC finished 2025 with a \$5.0 million surplus. This was driven by strong results from activity targeting the grey market, positive investment performance, and a significant push to contain spending in both salary costs and operational expenditures. Management made conscious efforts to deliver cost savings and top-line growth while maintaining value to clients. The surplus will sustainably support ongoing investment into the Business Transformation project by reducing the impact of our reserve drawdown.

Primary challenges in 2025 included maintaining service delivery despite capacity constraints, increased development complexity with our ongoing Business Transformation project, and navigation of economic uncertainties driven by US policy decisions throughout the year. Due to these challenges, Technical Safety BC implemented a two-month spending pause on discretionary expenditures to better evaluate the economic impact of trade and economic uncertainties.

Organizational priorities for 2026 are outlined in our [2026-2028 Business Plan](#). These include ongoing investments in Business Transformation and the formalization of a benefits realization plan that connects our spending directly to results that advance our Strategy. We will continue to address the grey market through systems and analysis that enable us to identify and target people performing unregulated work outside the safety system. We will work with our clients and safety partners to build understanding and support of a shared accountability model by increasing the visibility of noncompliant actors, educating duty holders, and removing barriers to participating in the safety system. These priorities will be supported by continued investment in our people and their leadership.

Looking ahead, Technical Safety BC will continue to focus on safety outcomes, delivering quality services, and financial resilience.

Operating Environment

In 2025, Technical Safety BC continued to operate in an environment shaped by economic and construction activity, labour market dynamics, and regulatory changes that influence the demand for safety oversight and regulatory compliance across British Columbia.

Economic and Construction Activity Trends

Economic activity in British Columbia's construction sector fluctuated during 2025. Non-residential construction in British Columbia was supported by public infrastructure investment and several large institutional and industrial projects. In contrast, residential indicators, including single-detached housing starts, softened relative to prior peak levels, reflecting continued affordability pressures and cautious developer sentiment. Despite this softness, residential construction activity in 2025 demonstrated greater resilience than anticipated, particularly in multi-unit developments, as lower borrowing costs and housing supply initiatives supported projects in urban markets.

Construction material and wage increases exceeded inflation targets in 2025, placing pressure on project budgets and timelines across the sector. This contributed to continued uncertainty for developers, contractors, and regulatory stakeholders.

Labour Market Dynamics

Labour market conditions remained challenging for both the construction industry and Technical Safety BC's workforce. Demand for skilled construction occupations, including electricians, plumbers, carpenters, and project managers, remained high, while labour supply remained tight. Construction industry projections highlighted the necessity for continued recruitment and retention efforts to sustain activity over the medium term.

Regulatory and Policy Developments

Regulatory developments in 2025 included updates to provincial building codes and broader initiatives to streamline permitting processes.

At the same time, provincial initiatives aimed at accelerating major project approvals sought to reduce barriers and improve permitting times for strategically significant projects. These initiatives have the potential to influence workload for regulators by shifting emphasis onto priority and complex projects.

Emerging Risks and Safety System Impact

The presence of undervalued, unpermitted or unlicensed work increases public safety risk and challenges oversight effectiveness. Ongoing focus on compliance, particularly regarding work performed outside the safety system (referred to as grey market activity), was an operational driver in 2025.

Technology adoption and evolving equipment types also continued to influence the operating environment. As new technologies are introduced and existing systems become more complex, regulatory assessments and safety oversight require deeper technical expertise, and the integration of innovative tools and systems.

Outlook on Operating Conditions

Looking forward, the operating environment for 2026 and beyond will be influenced by construction activity, labour supply, regulatory updates, and enforcement demands. Continued attention is needed on workforce capability, flexible deployment of inspection and assessment resources. Agile adaptation to emerging regulatory requirements will be key to sustaining service delivery and supporting positive safety system outcomes.

Financial Performance and Analysis

Financial Overview

Technical Safety BC is self-funded primarily through fees and operates on a cost-recovery basis.

Much of our revenue is linked to construction industry activity and fluctuates in line with economic growth or contraction. We set an annual budget that reflects expected revenue based on these trends and accounts for safety system priorities, and long-term capital needs. Within this planning framework, we use agile spending approaches to respond and prioritize work.

The surplus for 2025 was \$5.0M, driven primarily by cost reductions and new initiatives to target the grey market, driving top line revenue and volume growth. Early in 2025, management took action to pause spending in response to the potential impact of tariffs from the US on the industries we serve. This response resulted in a \$2.0M savings. Through our focus on bringing unpermitted and undervalued work into the safety system, we exceeded our grey market outreach goal of \$2.3M in new revenues (included in the 2025 budget) by \$1.7M. Additionally, recruitment of new hires in Q4 was delayed, saving an additional \$1.0M from expectations. Finally, investment returns were stronger than expected given the market uncertainty coming into 2025.

Surpluses are budgeted and required to sustain ongoing investments in business transformation efforts and manage current and future operating reserve levels.

Performance Metrics

Table 1: Key financial performance indicators

Key Financial Performance Indicator	2025	2024
Monetary indicators (in 000's)	\$	\$
Revenue excluding unrealized gain (loss) on investments.	90,979	83,870
Operating expenditures	87,011	83,682
Salaries and benefits	63,763	61,638
Unrealized gain on investments	1,001	501
Excess of revenue over expenditures	4,969	689
Operating reserve	9,353	6,378
Capital expenditure	7,187	8,022
Lowest 5-year projected operating reserve	2028 = 500	2027 = 76
Other indicators		
Adjusted Working Capital Ratio	2.6	2.1
Return on Assets	7%	1%
Total volumes (in 000')	315	314
Average fee (\$)	284	270
Contribution margin	41%	37%
Overhead ratio	36%	39%
Full Time Equivalent employees (FTE's)	420	423

In 2025, revenue from service fees increased by 9% compared to 2024. This was driven mainly by volume increases, which boosted revenue despite lower year-over-year average transaction value. Installation permits were the primary driver, with volumes increasing 5% over 2024, with an average price in line with 2024. These volumes were generated through an organizational focus on using targeted campaigns to bring unpermitted or undervalued work into the safety system. Successful campaigns through these efforts included:

- Educating the public and licensed contractors about heat pump installation permitting requirements, which saw a resurgence in 2025 from FortisBC rebates.
- Permit value amendment campaigns to target undervalued work.

The 2025 BC commercial and residential construction sectors both showed growth, supported by reduced borrowing costs following interest rate cuts, pent-up demand from the prior high-rate environment, continued population growth, and ongoing public infrastructure investment. While little relationship historically existed between the commercial and residential sectors, it was clear that these economic forces were widespread and impacted both sectors positively.

We have been monitoring the decline of gas installation permits since 2022, driven by clean energy policy initiatives. This trend reversed in 2025, and gas saw year-over-year growth, aided by targeted outreach through our grey market initiatives. While this may not be the end of downward pressure on gas permit volumes, environmentally-focused energy initiatives are being deprioritized as the economy endures uncertainty from US trade policies.

Financial investment returns were strong in 2025 (7.7%), with our portfolio covering equity, bond, mortgage, and infrastructure markets. Equity markets saw tailwinds in 2025 from natural resource and materials sectors, and bond values were supported by Bank of Canada rate cuts throughout the year. These rate cuts also provided boosts to the commercial mortgage market fund, which was supported by excess demand. Infrastructure returns were closely tied with resource markets, which rode the commodity and energy boom and returned strong results.

FTEs were held tightly in 2025. This was a concerted effort to find efficiencies that resulted in limiting salary cost growth to 3% year-over-year despite rising salaries and increased costs of benefits. These efficiencies drove \$1.5M in cost savings.

Investment in tangible and intangible capital assets was \$7.2M, the majority spent on the Business Transformation project, with some spending on smaller system projects and physical infrastructure.

The overall surplus driven by these efficiencies and outreach campaigns will be reinvested into the safety system through the Business Transformation project. This reinvestment is shown in an overall increase of the total internal and operating reserves from \$6.4M to \$9.3M.

Revenue

As a self-funded organization, Technical Safety BC primarily generates revenue through installation and operating permits, license and certificate issuance, inspections of technical work and equipment, and the registration of new equipment and designs.

Table 2: Components of total revenue

Revenue (in 000's)	2025 (\$)	2024 (\$)
Installation permits	50,015	46,079
Operating permits	23,876	22,030
Certification and licencing	5,577	5,426
Design registration	3,017	2,745
Alternative safety approach and equivalent standard approach	2,517	2,140
Inspections	2,078	1,930
Equipment approvals	1,002	958
Client education and administrative	807	425
Miscellaneous service revenue	262	57
Total service and related fee revenue	89,151	81,790
Other revenue	210	255
Realized investment and interest income	1,618	1,826
Unrealized gain on investments	1,001	500
Total revenue	\$91,980	\$84,371

Service revenues increased \$7.4 million over 2024, driven in part by stronger economic activity and campaigns to address grey market activity.

2025 began with pessimism driven by policy decisions from the US government and uncertainty about the impact to the Canadian economy. As the year progressed, Canada showed promising resilience. Early year revenue results were below budget but strengthened as the year went on.

Efforts for capturing grey market activities delivered strong financial results for 2025, driving over \$4 million in revenue on the year, primarily in installation and operating permits. These activities targeted unpermitted or undervalued work, with a focus on bringing this work into the safety system and leveling the playing field for our clients.

Installation permits continued to drive the majority of revenues. Growth in this revenue stream was driven by increased volume (11.4% over 2024) but had a consistent average price per permit to 2024, despite year-over-year fee increases. This result is consistent with grey market outreach campaigns which drove significant volumes in lower value permits.

Operating permits saw a \$1.8 million (8%) increase due to conversion of installation permits to operating permits and additional efforts from grey market outreach to bring operating systems into the safety system.

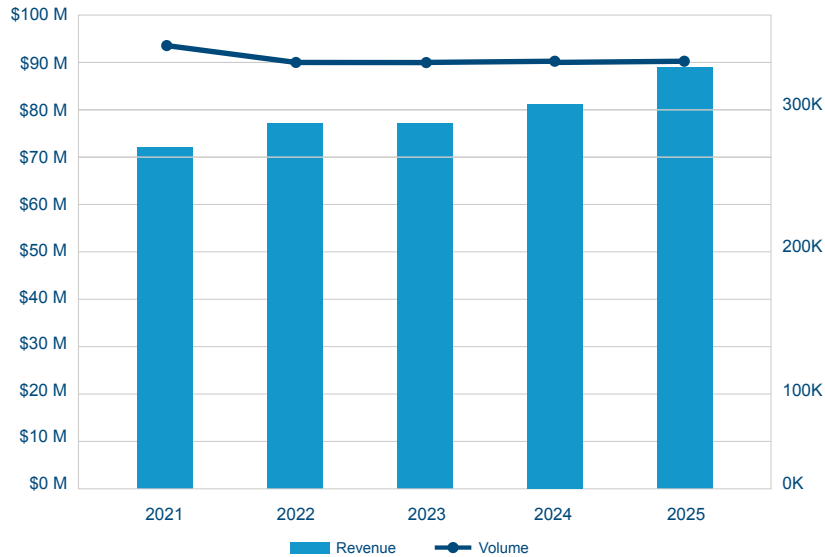
Alternative Safety Approach (ASA) revenue increased \$0.4 million (18%) due to capture of new accounts and improved processes.

Certification & Licensing, Design Registration, Inspections & Equipment Approvals grew in accordance with the annual fee increase: 4% on most of these services and 13% for Design Registration.

Investment revenue was strong across all four portfolios due to a resilient Canadian economy, a boom in commodities and energy (served by our Infrastructure fund) and reduced interest rates drove increased market values on our bonds and mortgage funds.

Service Revenue/Total Volume by Year

Graph 1: Service revenue and volume by year



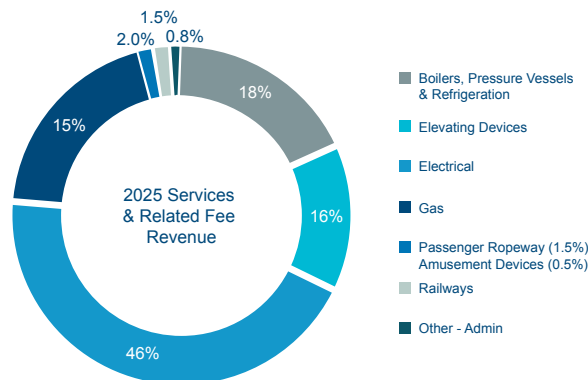
Revenue by Technology

Service and related fee revenues are derived from the oversight of seven technologies: electrical; gas; boilers, pressure vessels, and refrigeration; elevating devices; railways; passenger ropeways; and amusement devices.

Technology mix remains consistent with 2024, with Electrical products making up 46% of service and related fee revenue. The other components are Boilers and Pressure Vessels (18%), Elevating (16%), Gas (15%), and the remainder is made up of Passenger Ropeways, Amusement Devices and Railways as indicated in Graph 2 below.

While gas volumes and revenues have shown decline over the past few years due to green energy initiatives, gas showed moderate growth from 2024 to 2025. Some of this resurgence is due to grey market outreach focusing on heat pump installations, which often requires gas permits for furnace or gas line removal and capping.

Graph 2: Total service and related fee revenues by technology



Expenses

Overall costs rose 4% from 2024, driven mainly by salary cost increases (3% increase) and increases in price and license requirements for software (15% increase). We budgeted for a \$0.5M surplus in 2025 to support ongoing investment in the Business Transformation project. The annual budget and cost management process is rigid and detailed to ensure that spending controls are in place and updated to avoid passing on all cost increases to our clients.

Due to political and economic uncertainty, a spending pause was implemented for all non-safety related expenses in March. This resulted in real bottom-line savings as travel, training, and contract services were delayed or cancelled. Using our agile spending framework, initiatives and projects were evaluated for their importance and were either paused or prioritized to ensure efforts and funding was directed to the areas of greatest need. As the economy showed resilience, in May specific projects and expenditures were reprioritized to address risk and advance our strategy

Salaries and benefits continue to comprise the largest proportion of expenses at 73%, similar to 2024. We have seen an increase in information systems costs as we are transitioning to cloud-based solutions as part of our Business Transformation project. This trend will continue as we shift spending from hardware to software-as-a-service by investing in digitalization, cybersecurity, and to build the Permissions and Assessments phases of the Business Transformation project (refer to “Capital Spending” section below). Management is actively managing rising costs and the concentration of risk. See “Communication and Information Services” below.

Graph 3: Composition of 2025 operating expenses

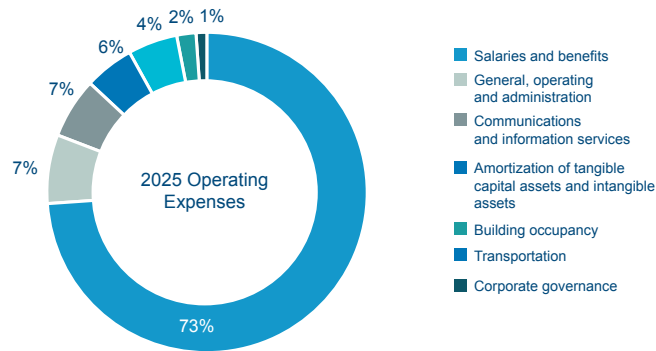


Table 3: Annual operating expense comparison

Expenses (in 000's)	2025	2024
Salaries and benefits	\$63,764	\$61,638
General, operating and administration	6,262	5,951
Communications and information services	6,073	5,355
Amortization of tangible capital assets and intangible assets	4,955	4,677
Building occupancy	3,444	3,584
Transportation	1,831	1,949
Corporate governance	681	528
Total expenses	\$87,010	\$83,682

Salaries and Benefits were \$2.1M (3%) higher than 2024, reflecting annual wage increases. We held FTE to below-2024 levels, limiting corporate overhead positions and prioritizing front-line safety officers in hiring decisions to drive value to clients.

General Operating and Administration expenses rose 5% (\$0.3M) from the costs incurred to close two office locations (see “Building Occupancy” below) and increased office expenditures from return-to-office initiatives. These additional costs were slightly offset by conscious savings in materials, supplies, legal, and audit expenses.

Communication and Information Services expenditure was \$0.7M (15%) higher than 2024 due to strategic shifting of infrastructure into cloud-based technologies, such as launching the Licensing module of a new CRM in 2024. Development remains ongoing for remaining products, as costs continue to rise for support of legacy systems nearing end of life. Management is monitoring software costs closely and working with vendors to obtain favourable pricing and contracts where possible and evaluate alternative suppliers to mitigate concentration risk.

Amortization of Tangible Capital and Intangible Assets was \$0.3M (6%) above 2024 due to the launch of new licensing software system functionality in Q2 2024.

Building Occupancy fell from 2024 (\$0.1M, 4%) due to the closure of the Nanaimo office as we search for a new office location mid-island, and the Squamish office from underutilization.

Transportation spending reduced by 6% (\$0.1M) despite higher transaction volumes. During the Q2 spending pause, non-safety and non-inspection travel was limited to critical needs only.

Corporate Governance increased by \$0.2M due to scheduled rises in honorarium costs and costs for recruitment of new Board members. These new costs were mitigated through reduction in travel and meeting expenses by continuing to have remote committee meetings.

Financial Sustainability

Capital Spending

In 2025, Technical Safety BC invested \$7.2M in capital projects. Approximately \$6.0M was invested in Business Transformation — a multi-year digital project. The first two phases, Certification and Licensing, launched in 2023 and 2024 and enabled clients to more easily obtain, renew and manage their certifications and licences. In 2025, work continued on the Permissions phase, which will build on successes and learnings from the first two phases.

Other capital investments of \$1.2M included replacing aging employee hardware devices, modernization of office spaces and strategic replacement of end-of-life fleet vehicles. We negotiated package deals for vehicles that enabled procurement at below-market values despite uncertainty. The existing fleet was assessed and redeployed depending on condition and use to further limit vehicle operating costs.

Reserves and Unrestricted Net Assets

Technical Safety BC's net assets consist of investments in tangible capital assets and intangibles, as well as operating, capital, and education reserves. Net assets increased by \$5.2M to \$37.3M due to ongoing business transformation and the year-end surplus. Total reserve balance, which includes the operating, capital and education reserves, ended 2025 at \$9.3M and is earmarked for investment in the Business Transformation project over the coming years.

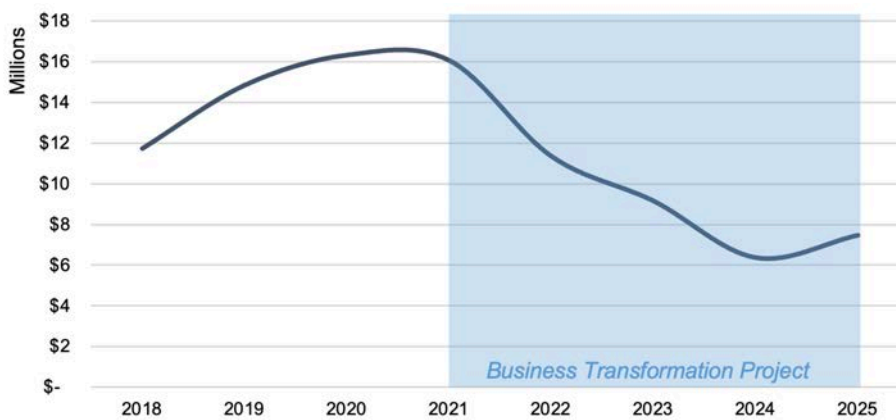
Table 4: Comparison of reserves and net assets

Reserves and Net Assets (\$000's)	2025	2024
Investment in tangible capital assets, and intangible assets	\$27,908	\$25,677
Internally restricted education reserve	70	71
Internally restricted capital reserve	10,895	9,455
Unrestricted operating reserve (deficit)	(1,612)	(3,148)
Total net assets	\$37,261	\$32,055

It is our policy to transfer funds from the operating reserve to the internal capital reserve to cover the following year's capital expenditures. At year-end, \$10.9M has been allocated for 2026 expenditures.

Since 2021, the operating reserve has been undergoing a planned decline to invest in the multi-year Business Transformation project. Prior to 2021, reserve balances were built up through strategic surpluses and stable capital reinvestment for the use in large-scale modernization and digitization of aging information technology architecture. Four years into the Business Transformation project, the built-up reserves have been used efficiently but may be at risk of dipping to minimum thresholds in coming years (see "Strategic Risk" below). As our administrative agreement requires us to maintain a healthy reserve level to navigate macroeconomic uncertainties, surplus results are required to offset further reduction in these reserves.

Graph 4: Reserve balance trend



Management is closely monitoring the reserve balances through scenario modelling, forecasting, cost projections, and management of cost levers to maintain financial sustainability and flexibility. Based on these actions, the reserve balance is expected to remain positive for the next five years. Additionally, benefit realization from the Business Transformation project is a key 1-year outcome in the 2026-2028 Business Plan, ensuring value is generated from this investment.

The education reserve was established in accordance with the Safety Standards Act to fund safety education programs with monetary penalties collected. In 2025, these revenues offset the expenses of public safety campaigns, resulting in minimal changes in the year-end reserve balance.

Cash and Investments

In 2025, cash increased by \$8.6M. The increase was due to a planned \$5.5M investment withdrawal to fund ongoing operations and the \$5.0M surplus for the year, these increases were offset by elevated capital spending. Technical Safety BC monitors and manages cash balance to ensure there are sufficient liquid assets to cover short-term demands for cash.

The value of investments decreased by \$3.5M due to the planned withdrawal, slightly offset from capital appreciation of \$1.0M. Current investments are calculated to cover the budgeted capital spend for 2026.

Table 5: Comparison of cash and investments

Amounts in (\$000's)	2025	2024
Cash	\$15,114	\$6,512
Current investments	10,895	9,455
Long term investments	18,026	22,917

Risk Management

Technical Safety BC has implemented a structured method to identify, assess, and address risks associated with its strategy and operations. This is achieved using an enterprise risk management (ERM) framework. The ERM framework adheres to industry standards and best practices, and mandates regular reporting to the Board and executive team, ensuring they can effectively meet their fiduciary duties.

2025 continued to present challenges to British Columbia's socio-economic environment. Despite the federal interest rates and inflation stabilizing, high levels of economic uncertainty created by US international trade policies and lowering of immigration levels have impacted the BC construction industry. To assess and manage ongoing economic uncertainty, we are closely monitoring economic developments and seeking expert guidance. We regularly conduct scenario planning to understand the potential impact on Technical Safety BC.

To effectively manage risk and uncertainty, Technical Safety BC uses an internationally applied enterprise risk management framework that distinguishes three different risk categories.

External Risks

External risks typically originate from outside of Technical Safety BC. Cybersecurity events are a concrete example of risks in this category. We aim to prevent the occurrence of these events or limit their impact through system design, regular integrity testing, intrusion reporting, and the adoption of preventative policies around the collection, storage, and use of data that we regularly review with our employees. At the same time, we acknowledge that there are practical limits to prevention from external threats and we actively engage in response planning and crisis management exercises to be prepared for unplanned events.

Strategic Risk

Strategic risk encompasses the potential for loss arising from business decisions. Unlike external risks, these are risks that are purposefully taken by Technical Safety BC to meet long-term strategic objectives. Technical Safety BC is moving away from its legacy information system to ensure continued reliability and futureproofing of our safety oversight. We manage the risks of this business transformation effort by adopting a proven technology, working with reliable third-party providers, following a phased implementation approach, and setting high levels of internal review. This transformative effort is essential to the long-term success of the organization and therefore a key part of our 2026-2028 Business Plan.

Preventable Risk

Preventable risks do not have a strategic "upside" and are within the control of Technical Safety BC. While it is seldom possible to completely eliminate these risks, we manage them tightly, so the resulting risk levels are low and well within commonly accepted limits. An example of a preventable risk is occupational health and safety risks to our employees. We mitigate these through standard operating procedures, work instructions, periodic training, joint review with our employees, and wellness programs. We investigate incidents and we offer access to counseling as part of employee assistance programs. Legal compliance risks also fall under preventable risks. Technical Safety BC complies with legislation and regulations that govern our mandate which is regularly tested through internal auditing and oversight. While we make a consistent effort to prevent risk events from occurring, Technical Safety BC does carry appropriate levels of insurance to financially protect the organization should a risk event occur.

Governance Oversight

The Board of Directors provides oversight of Technical Safety BC's strategy, risk management, and financial performance. During 2025, the Board and its committees monitored organizational strategy and performance, financial sustainability, and key risks.

This governance framework supports accountability and transparency while enabling management to respond to operational challenges. A full report of governance activities can be found above in our Annual Report.

Outlook

Following a period of monetary easing that began in 2024, interest rates entered 2025 at lower levels, with additional reductions anticipated. While borrowing conditions have improved, construction market activity has remained uneven as consumers and developers continue to navigate uncertainty and elevated input costs. Housing policies have attempted to drive supply, but results remain inconsistent. As a result, the anticipated rebound in construction starts and renovation activity has been more gradual than previously expected across both residential and commercial sectors. Real BC GDP growth has been projected at 1.4% for 2025, well below the 10-year average of 2.8% but above both the national average and 2024. The outlook for 2026 BC GDP growth from economic analysts remains challenged at 1.6%.

Both the BC and Canadian Governments continue to focus on housing affordability and supply, including zoning reform and incentives to accelerate development. Lower borrowing costs, combined with housing supply initiatives and municipal permitting reforms aimed at increasing housing supply, are expected to provide tailwinds for market activity in 2026 and beyond. However, this positive outlook is tempered by broader economic and geopolitical uncertainty, including trade tensions and the ongoing potential for tariff impacts as Canada and The US negotiate CUSMA. These factors may contribute to higher construction material and equipment costs as supply chains adjust and could result in delays to investment decisions. Overall, economic uncertainty is expected to moderate the pace of growth despite more accommodative interest rate conditions.

Gas installation permit volumes are expected to revisit their downward trend as residential and commercial customers transition toward cleaner energy alternatives. This decline is anticipated to be more pronounced in the residential sector, where viable and cost-competitive alternatives to gas heating equipment are increasingly available.

Technical Safety BC continues to advance its adoption of agile ways of working, enabling the organization to respond effectively to changing conditions while maintaining a strong focus on public safety. This approach is supported by disciplined financial management, continued investment in our people, and ongoing improvements to how we support participants across the safety system.

Revenue growth is expected to be supported through expanded safety oversight, including streamlined certification, licensing and permitting processes enabled by business transformation. In addition, targeted initiatives to address grey market activity are expected to contribute to revenue stability by identifying unlicensed, uncertified, and unpermitted work and bringing it into compliance, thereby promoting a level playing field.

Successes seen in grey market capture in 2025 may be challenging to replicate going forward as more creative techniques will be required to identify noncompliant actors and bring them into the safety system.

Capital investment remains elevated into 2026 as the organization continues to advance the Business Transformation project and deploy additional system functionality. Operating expenditures for 2026 are budgeted at a modest level to support ongoing business transformation activities. Following the conclusion of the Business Transformation project, the combination of reduced capital spending and increased amortization addbacks is expected to support the replenishment of the operating reserve.

Actual results may differ from these expectations due to many factors, some of which are beyond the organization's control. A key risk remains the potential for an economic downturn that is deeper or more prolonged than current forecasts. Should material economic changes occur, management will continue to apply agile funding and operational decisions to respond appropriately.

Forward Looking Statements

This MD&A contains forward-looking statements that are based on current expectations and assumptions. Actual results may differ materially.

Financial Statements

and Independent Auditor's Report thereon Year ended December 31, 2025





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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of British Columbia Safety Authority

Opinion

We have audited the financial statements of British Columbia Safety Authority (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditor’s report thereon, included in 2025 Annual Report.



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the 2025 Annual Report as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Vancouver, Canada
March 12, 2026

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Statement of Financial Position

December 31, 2025, with comparative information for 2024

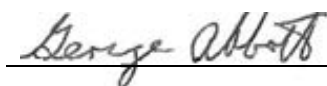
	2025	2024
Assets		
Current assets:		
Cash	\$ 15,114,222	\$ 6,511,563
Accounts receivable (note 3)	2,009,891	2,549,166
Prepaid expenses and deposits	2,169,406	1,919,276
Investments (note 4)	10,895,242	9,455,340
	<u>30,188,761</u>	<u>20,435,345</u>
Investments (note 4)	18,026,150	22,917,074
Intangible assets (note 5)	23,225,106	20,388,606
Tangible capital assets (note 6)	4,683,268	5,288,401
	<u>\$ 76,123,285</u>	<u>\$ 69,029,426</u>

Liabilities and Net Assets

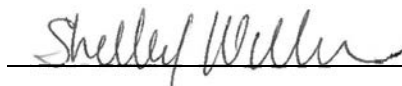
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 11,214,771	\$ 9,452,771
Deferred revenue	25,137,346	24,512,112
Current portion of deferred lease inducements (note 8)	320,030	320,030
	<u>36,672,147</u>	<u>34,284,913</u>
Deferred lease inducements (note 8)	1,128,580	1,552,610
Accrued employee future benefits (note 9(b))	972,886	1,058,060
Asset retirement obligation (note 10)	88,175	78,982
	<u>38,861,788</u>	<u>36,974,565</u>
Net assets:		
Investment in tangible capital assets and intangible assets	27,908,374	25,677,007
Internally restricted:		
Education reserve	69,499	71,177
Capital reserve	10,895,242	9,455,340
Unrestricted operating deficit	<u>(1,611,618)</u>	<u>(3,148,663)</u>
	<u>37,261,497</u>	<u>32,054,861</u>
Commitments (note 14)		
Contingencies (note 15)		
	<u>\$ 76,123,285</u>	<u>\$ 69,029,426</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Services and related fees (note 11)	\$ 89,151,754	\$ 81,789,084
Realized investment and other income (note 12)	1,827,040	2,080,964
	<u>90,978,794</u>	<u>83,870,048</u>
Expenses:		
Salaries and benefits	63,762,508	61,638,148
General, operating and administration	6,262,306	5,950,514
Communications and information services	6,073,490	5,355,356
Amortization of tangible capital assets and intangible assets	4,955,136	4,676,751
Building occupancy	3,444,305	3,583,862
Transportation	1,831,370	1,948,702
Corporate governance	681,494	528,468
	<u>87,010,609</u>	<u>83,681,801</u>
Excess of revenue over expenses before the undernoted	3,968,185	188,247
Unrealized gain on investments	1,001,314	500,734
Excess of revenue over expenses	<u>\$ 4,969,499</u>	<u>\$ 688,981</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Statement of Changes in Net Assets

Year ended December 31, 2025, with comparative information for 2024

					2025	2024
	Investment in tangible capital assets and intangible assets	Education reserve	Capital reserve	Operating reserve	Total	Total
Net assets, beginning of year	\$ 25,677,007	\$ 71,177	\$ 9,455,340	\$ (3,148,663)	\$ 32,054,861	\$ 31,350,620
Excess (deficiency) of revenue over expenses	(4,784,068)	(12,150)	-	9,765,717	4,969,499	688,981
Remeasurement gain on accrued employee future benefits (note 9(b))	-	-	-	237,137	237,137	15,260
Net investment in tangible capital assets and intangible assets	7,015,435	-	(7,186,743)	171,308	-	-
Interfund transfers (note 13)	-	10,472	8,626,645	(8,637,117)	-	-
Net assets, end of year	\$ 27,908,374	\$ 69,499	\$ 10,895,242	\$ (1,611,618)	\$ 37,261,497	\$ 32,054,861

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 4,969,499	\$ 688,981
Items not involving cash:		
Amortization of deferred lease inducements	(424,030)	(406,589)
Amortization of tangible capital assets and intangible assets	4,955,136	4,676,751
Gain on disposal of tangible capital assets	(171,068)	(106,207)
Investment income re-invested	(1,059,241)	(1,304,562)
Change in asset retirement obligation	9,193	5,471
Change in fair value of investments	(1,001,314)	(500,734)
Change in accrued employee future benefits	151,963	121,430
Net change in non-cash working capital accounts (note 16)	2,676,379	2,492,146
	10,106,517	5,666,687
Investments:		
Purchase of tangible capital assets	(1,232,748)	(1,144,736)
Proceeds from disposal of tangible capital assets	171,308	106,677
Purchase and development of intangible assets	(5,953,995)	(6,877,289)
Withdrawal of investments	5,511,577	3,779,689
Purchase of investments	-	(9,779,689)
	(1,503,858)	(13,915,348)
Increase (decrease) in cash	8,602,659	(8,248,661)
Cash, beginning of year	6,511,563	14,760,224
Cash, end of year	\$ 15,114,222	\$ 6,511,563

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements

Year ended December 31, 2025

1. Operations:

British Columbia Safety Authority (“BCSA”) (dba Technical Safety BC) is a not-for-profit organization incorporated through the *Safety Authority Act*. BCSA administers the service delivery components of the *Safety Standards Act* delegated to it by the Province of British Columbia. The delegation of authority is based on an Administrative Agreement between the Province of British Columbia and BCSA. The Administrative Agreement establishes the rights and responsibilities and terms and conditions of both parties. BCSA is exempt from income taxes.

BCSA delivers services in British Columbia by partnering with business, industry and the general public to enhance the safety of technical systems, products, equipment and work. BCSA is responsible for overseeing the safety of electrical equipment and systems, boilers, pressure vessels and refrigeration systems, natural gas and propane appliances and systems, elevating devices, railways, passenger ropeways and amusement devices.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations as prescribed by the Chartered Professional Accountants of Canada.

(b) Revenue recognition:

Fees that cover a specific period are recognized as revenue evenly over that period. Fees that do not cover a specific period and are earned over a period of time are recognized as revenue over an estimated period based on past history. In both cases, unearned fees are recorded as deferred revenue.

All other revenue is recognized when the services are performed and the amount is received, or if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Net assets:

(i) Investment in tangible capital assets and intangible assets:

These net assets represent the investment that BCSA has made in tangible capital assets and intangible assets.

(ii) Education reserve:

In accordance with the *Safety Standards Act*, BCSA established the education reserve to reserve monetary penalties collected by BCSA to be expended on accident prevention and safety education programs.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(c) Net assets (continued):

(iii) Capital reserve:

The capital reserve is internally restricted and was established to fund capital investment projects, such as the modernization of facilities and information technology systems.

(iv) Operating reserve:

The operating reserve represents the accumulated unrestricted deficit of BCSA.

(d) Investments:

Investments, which include a short-term bond fund, a Canadian dividend fund, a mortgage fund and an infrastructure fund, are recorded at fair value. Investment transactions are recorded on a trade date basis. Investment income and changes in fair value are recognized in the statement of operations.

Short-term investments include those investments which BCSA intends to hold for capital projects and support cash flow requirements in the next fiscal year. Investments that are expected to be realized beyond the next fiscal year are classified as long-term.

(e) Intangible assets:

BCSA customizes third-party software for internal use. All intangible assets are recorded at cost. Direct costs attributable to new customizations or significant modifications to previous customizations are capitalized after the technological feasibility has been established. Direct costs, including internal labour, attributable to major safety program development are capitalized. Direct costs attributable to minor modifications of previous customization, and costs to support or service internally customized third-party software are expensed in the period incurred.

Intangible assets are reviewed, at least annually or as needed, for impairment whenever events or changes in circumstances indicate that the associated future economic benefits or service potential have been reduced. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost and is recognized as an expense in the statement of operation.

Amortization commences when the software is brought into service. The software is amortized using the straight-line method over the estimated useful lives of the assets between 4 and 8 years.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(f) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes all costs directly attributable to the acquisition, installation of the asset and costs incurred to bring the asset to the condition necessary for its intended use. Repairs and maintenance costs are recorded as expenses. Betterments which extend the life of an asset are capitalized.

Tangible capital assets are reviewed, at least annually, for impairment whenever events or changes in circumstances indicate that the associated future economic benefits or service potential have been reduced. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost and is recognized as an expense in the statement of operation.

Amortization of tangible capital assets commences when they are brought into service. The assets are amortized using the straight-line method over the estimated useful lives of the assets at the following annual rates:

Asset	Basis
Computer hardware	3 to 5 years
Software systems integral to hardware operations	3 to 5 years
Vehicles	5 years
Furniture and equipment	5 years
Leasehold improvements	Lesser of useful life and term of the lease

Leases, which transfer substantially all the benefits and risks incidental to ownership of property, are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(g) Deferred lease inducements:

Deferred lease inducements include amounts received in lease agreements related to leasehold improvements. Amortization of deferred lease inducements is recognized over the lease term, including any rent-free periods, on a straight-line basis against building occupancy expense. Lease inducements provided by the lessor in renegotiated lease arrangements are considered to relate to the term of the lease extension.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(h) Employee future benefits:

BCSA accrues its obligations under defined benefit plans as the eligible employees render the services necessary to earn the benefits. Actuarial gains (losses) on the accrued benefit obligation arising from differences between actual and expected experience are recognized as remeasurement gains (losses) directly in net assets in the period they occur.

(h) Employee future benefits (continued):

BCSA is a participating employer of the Public Service Pension Plan, a jointly trustee pension plan. The pension plan is a multiemployer plan and as a result, required contributions are expensed as incurred. The plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

(i) Asset retirement obligation:

BCSA recognizes a future asset retirement obligation as a liability in the year in which it has a legal obligation associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, development, and/or normal use of the asset based on management's best estimate of the expenditure required to settle the obligation. BCSA concurrently recognizes a corresponding change in the carrying amount of the related long-lived asset.

The amount of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a risk-free interest rate based on management's best estimate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized as an expense using the effective interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset.

(j) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. In particular, management makes estimates to determine the period over which deferred revenue is recognized as revenue. Actual results could differ from those estimates.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(k) Financial instruments:

BCSA's financial instruments consist of cash, accounts receivable, investments, and accounts payable and accrued liabilities. Cash, accounts receivable, and accounts payable and accrued liabilities are initially recorded at fair value and subsequently recorded at cost or amortized cost. Investments are initially measured at fair value, and also subsequently carried at fair value, with changes in fair value recognized in the statement of operations.

The carrying value of accounts receivable and accounts payable and accrued liabilities approximates fair value as at December 31, 2025 and 2024.

BCSA classifies financial instruments measured at fair value into one of three levels of a fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values:

- Level 1 - quoted prices in active markets;
- Level 2 - measurements determined using valuation models that employ observable inputs; and
- Level 3 - measurements determined using valuation models that employ unobservable inputs.

3. Accounts receivable:

	2025	2024
Trade and other receivables	\$ 2,779,602	\$ 3,298,906
Allowance for doubtful accounts	(769,711)	(749,740)
	<u>\$ 2,009,891</u>	<u>\$ 2,549,166</u>

4. Investments:

BCSA manages its investment portfolio, which is measured at fair value, through third-party investment managers, who invest according to BCSA's investment policy. Investments are held in short-term bond (Level 2), Canadian dividend (Level 2), mortgage (Level 3) and infrastructure (Level 3) funds.

	2025	2024
Short-term bond fund	\$ 11,454,373	\$ 14,897,207
Canadian dividend fund	3,666,597	4,537,888
Mortgage fund	7,336,424	6,934,280
Infrastructure fund	6,463,998	6,003,039
	<u>\$ 28,921,392</u>	<u>\$ 32,372,414</u>

As at December 31, 2024, \$4,173,174 of cash was held within the infrastructure fund for the purchase of fund units in 2025. There was no amount held as cash as of December 31, 2025.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

5. Intangible assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Software systems	\$ 44,723,268	\$ 28,371,964	\$ 16,351,304	\$ 19,227,347
Software systems under development	6,873,802	-	6,873,802	1,161,259
	\$ 51,597,070	\$ 28,371,964	\$ 23,225,106	\$ 20,388,606

Software systems, including those under development, are comprised of online transaction and reporting tools, core production systems and safety program software development costs.

6. Tangible capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 6,969,294	\$ 5,524,681	\$ 1,444,613	\$ 1,628,373
Software systems integral to hardware operations	1,344,363	1,295,909	48,454	43,108
Vehicles	6,178,311	5,159,199	1,019,112	877,844
Furniture and equipment	5,660,839	5,283,228	377,611	342,571
Leasehold improvements	9,946,374	8,152,896	1,793,478	2,396,505
	\$ 30,099,181	\$ 25,415,913	\$ 4,683,268	\$ 5,288,401

Included in tangible capital assets is \$1,226 (2024 - \$44,368) of assets that had not yet been put into use.

7. Accounts payable and accrued liabilities:

	2025	2024
Trade payables and accrued liabilities	\$ 1,916,772	\$ 1,611,124
Government taxes and remittances	1,412,580	1,355,865
Wages and related costs payable	7,885,419	6,485,782
	\$ 11,214,771	\$ 9,452,771

Government taxes and remittances consist of amounts such as sales taxes, payroll withholdings and worker's compensation premiums.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

8. Deferred lease inducements:

Deferred lease inducements relate to step rent and leasehold improvements in the currently occupied Vancouver office, with estimated remaining lease terms of 34 months (2024 – 46 months).

	2025	2024
Deferred lease inducements, beginning of year	\$ 1,872,640	\$ 2,279,229
Less amortization recorded net of building occupancy expense	424,030	406,589
Deferred lease inducements, end of year	1,448,610	1,872,640
Less current portion	320,030	320,030
Long-term portion	\$ 1,128,580	\$ 1,552,610

9. Accrued employee future benefits:

(a) Public Service Pension Plan:

BCSA and its permanent employees contribute to the Public Service Pension Plan, a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including asset investment and plan administration. The pension plan is a multi-employer contributory defined benefit pension plan with 80,000 active members and 58,000 retired members as at March 31, 2025. BCSA had 416 active employees in the plan as at December 31, 2025 (2024 - 437).

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The latest valuation as at March 31, 2023 indicated a \$4.5 billion surplus for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026, with results available in 2027.

Employer contributions paid by BCSA to the Public Service Pension Plan during the year were \$4,749,089 (2024 - \$4,707,638).

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

9. Accrued employee future benefits (continued):

(b) Defined Supplemental Retirement Benefit Plan:

Under the collective agreement and terms of employment, BCSA accrues a provision for a Defined Supplemental Retirement Benefit Plan as eligible union employees render the services required to earn that benefit. Union employees eligible to receive a benefit from the Public Service Pension Plan upon retirement and who have completed 20 years of service with BCSA are entitled to an additional benefit from the Defined Supplemental Retirement Benefit Plan. The additional benefit is calculated as one to three months' salary, based on the number of years of service between the employee's 20th and 30th year with BCSA (maximum).

BCSA accrues the cost of these employee future benefits over the periods in which the employees earn the benefit. The cost of employee future benefits is actuarially determined using the projected benefit method pro-rated on service and includes, but is not limited to, management estimate of future salary increases, the retirement age and date of employees and the discount rate. The discount rate used is based on market rates as at the measurement date. Actuarial gains and losses arise from changes in actuarial assumptions used to determine the accrued benefit obligation. Past service costs from plan amendments and net actuarial gains or losses are recognized in the statement of changes in net assets in the period they occur.

The latest full actuarial valuation was at December 31, 2025. A full actuarial valuation is performed every three years. Extrapolations of the last valuation are performed by the actuary in years where a full valuation is not performed.

The following is the reconciliation of the accrued employee future benefits liability:

	2025	2024
Accrued employee future benefits, beginning of year	\$ 1,058,060	\$ 951,890
Current service cost	102,234	100,280
Interest cost	49,729	44,263
Benefits paid	-	(23,113)
Remeasurement gain	(237,137)	(15,260)
Accrued employee future benefits, end of year	\$ 972,886	\$ 1,058,060

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

9. Accrued employee future benefits (continued):

(b) Defined Supplemental Retirement Benefit Plan (continued):

The expense for the plan is comprised of the following:

	2025	2024
Current service cost	\$ 102,234	\$ 100,280
Interest cost	49,729	44,263
Retirement benefit plan expense	\$ 151,963	\$ 144,543

The significant actuarial assumptions adopted in measuring the accrued benefit obligation are as follows:

	2025	2024
Discount rate	4.90%	4.70%
Rate of compensation increase	3.00%	2.00%

The accrued benefit obligation is not funded as funding is provided when benefits are paid. Accordingly, there are no plan assets.

10. Asset retirement obligation:

In accordance with the lease agreement, BCSA is required to restore the leased space for its Vancouver office to its original condition at the end of the lease term. BCSA has recorded an asset retirement obligation amount of \$88,175 as at December 31, 2025 (2024 - \$78,982).

11. Services and related fees:

	2025	2024
Installation permits	\$ 50,015,216	\$ 46,079,195
Operating permits	23,875,961	22,029,646
Certification and licensing	5,577,017	5,426,032
Design registration	3,017,371	2,745,133
Alternative Safety Approach and Equivalent Standard Approach	2,517,258	2,140,190
Inspections	2,078,115	1,929,882
Equipment approvals	1,001,670	957,588
Client education and administrative services	806,700	424,515
Miscellaneous	262,446	56,903
	\$ 89,151,754	\$ 81,789,084

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

12. Realized investment and other income:

	2025	2024
Realized investment income	\$ 1,288,508	\$ 1,343,883
Interest income on cash balances	329,447	482,207
Gain on disposal of tangible capital assets	171,068	106,207
Monetary penalties issued	30,500	64,500
Rental income	7,517	84,167
	<u>\$ 1,827,040</u>	<u>\$ 2,080,964</u>

13. Internally restricted fund transfers:

Internally restricted fund transfers is comprised of the following:

(a) Education reserve:

Transfer of \$10,472 (2024 - \$19,697) from the operating reserve to the education reserve related to monetary penalties collected that will be expended on accident prevention and safety education programs.

(b) Capital reserve:

Transfer of \$8,626,645 (2024 - \$7,646,365) from the operating reserve to the capital reserve to fund capital investment projects.

14. Commitments:

(a) Operating leases and license agreements:

BCSA leases its office space. In 2025, BCSA renegotiated an early renewal of leased office space, which included a term extension until 2038 and reduction in leased space. The future minimum annual payments, including for the term extension, are as follows:

2026	\$ 2,057,596
2027	1,605,970
2028	1,379,716
2029	1,582,538
2030	1,623,110
Thereafter	13,893,963
	<u>\$ 22,142,893</u>

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

14. Commitments (continued):

(b) Line of credit:

BCSA has one credit facility which has a maximum borrowing capacity of \$2,000,000 and can be drawn at the prime lending rate. There were no amounts drawn on the line of credit as at December 31, 2025 (2024 - nil).

15. Contingencies:

In the ordinary course of operations, BCSA may be contingently liable for litigation and claims with customers, suppliers and employees. Specific claims have been brought against BCSA, the outcome of which is indeterminable at this time. Liabilities on any litigation are recognized in the financial statements when the loss is likely and can be reasonably estimated. In management's judgment, no material exposure exists on the eventual settlement of any existing litigation.

16. Change in non-cash working capital accounts:

	2025	2024
Accounts receivable	\$ 539,275	\$ (843,402)
Prepaid expenses and deposits	(250,130)	(280,071)
Accounts payable and accrued liabilities	1,762,000	687,075
Deferred revenue	625,234	2,928,544
	<u>\$ 2,676,379</u>	<u>\$ 2,492,146</u>

17. Financial instruments risk, exposure and management:

BCSA has exposure to the following risks from its financial instruments:

(a) Credit risk:

Credit risk is the risk that a counterparty may default on its contractual obligations, resulting in financial loss. BCSA is exposed to credit risk with respect to its cash, accounts receivable, and fixed income securities. Credit risk associated with cash and these investments is minimized by ensuring that these assets are held with highly rated financial institutions and investment managers (note 4). Management monitors the collectability of accounts receivable, and a provision for doubtful accounts is recorded for accounts receivable not expected to be collected (note 3).

BCSA manages its investments in accordance with a Board-approved investment policy, which includes diversification by investment manager, issuer, and credit quality. In addition, BCSA manages credit risk by regular review of the investment portfolio and diversification of investment types to limit credit risk to specific investment types (note 4).

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2025

17. Financial instruments risk, exposure and management (continued):

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. BCSA is exposed to fair value risk on its investments and manages the risk by regular review of the investment portfolio and diversification of investment types to limit market risk to specific investment types (note 4). BCSA has investment policies to ensure investments are appropriately managed to balance preservation of capital, liquidity requirements and investment returns. BCSA is not significantly exposed to foreign currency risk or other price risks.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. BCSA is exposed to interest rate risk on its interest-bearing financial instruments held in the short-term bond and mortgage funds (note 4).

(d) Liquidity risk:

Liquidity risk is the risk that BCSA will be unable to meet its financial obligations on a timely basis or at a reasonable cost as they fall due. BCSA manages liquidity risk by monitoring its operating requirements to ensure that it will have a sufficient net monetary position and cash flows generated from operations to fund the operations and settle liabilities when due.

There has been no change to the risk exposures in 2025.



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