
Building on our successes

**You put your
trust in us.**

We delivered.

**And we will
continue
to do so.**

ANNUAL REPORT | 2011-2012
STRATEGIC AND FINANCIAL REVIEW

2012

Operational overview

Five years of looking forward.

FPINNOVATIONS IS CREATED AS A MERGER OF FORINTEK, PAPRICAN, FERIC AND THE CANADIAN WOOD FIBRE CENTRE (CANADIAN FOREST SERVICE, NRCAN)

LAUNCH OF THE NSERC FOREST SECTOR R&D INITIATIVE, A COLLABORATIVE RESEARCH EFFORT TO ADDRESS CANADIAN FOREST INDUSTRY NEEDS FOR KNOWLEDGE AND INNOVATION

MEMBERSHIP REVENUES DROP BY 70%. FPINNOVATIONS ADOPTS A COST-CUTTING STRATEGY AND OBTAINS INCREASED GOVERNMENT SUPPORT

2007

2008

2009

Operational highlights

As at March 31, 2012

FPinnovations ends its fiscal year with revenue exceeding expenditures by \$5.1 million.

FPinnovations' two offices in Pointe-Claire are consolidated, which translates into operating cost reduction and better organizational cohesion.

The NSERC Networks create a council of network directors called FIBRE (Forest Innovation by Research and Education) to ensure regular dialogue.

CelluForce ends 2011 with the construction of the world's first nanocrystalline cellulose (NCC) plant with a production capacity of a tonne a day.

A new committee of the Board is formed: the National Research Advisory Committee (NRAC), which brings together industry members, government partners, and university representatives from the eight Natural Sciences and Engineering Research Council of Canada (NSERC) Forest Sector R&D Networks.

The Oracle Human Resource module, a state-of-the-art talent management tool, is integrated with the organization's information systems.

ECONOMIC CONDITIONS IMPROVE AND MEMBERSHIP REVENUE RETURNS TO NORMAL

FPINNOVATIONS ADOPTS AND IMPLEMENTS THROUGHOUT THE ORGANIZATION THE "FIVE DISCIPLINES" OF INNOVATION AND NABC (NEEDS, APPROACH, BENEFITS, COMPETITION) METHODOLOGY DEVELOPED BY SRI

FPINNOVATIONS INVESTS IN THE DEVELOPMENT OF A NEW INNOVATION HUB FOR THE CANADIAN FOREST SECTOR

RELEASE OF THE ENGLISH AND FRENCH VERSIONS OF THE CLT HANDBOOK, PROVIDING THE CONSTRUCTION INDUSTRY WITH COMPREHENSIVE INFORMATION ABOUT CROSS-LAMINATED TIMBER, AN ENGINEERED WOOD PRODUCT

FPINNOVATIONS REPORTS AN OPERATING SURPLUS OF \$7.9 MILLION

CELLUFORCE, A DOMTAR-FPINNOVATIONS JOINT VENTURE, BEGINS PRODUCTION OF THE WORLD'S FIRST NCC DEMONSTRATION PLANT

TWELVE PILOT PROJECTS ARE LAUNCHED UNDER THE NRCAN TRANSFORMATIVE TECHNOLOGIES PROGRAM

OPENING CEREMONY OF FPINNOVATIONS' BIO-ECONOMY TECHNOLOGY CENTRE IN THUNDER BAY, ONTARIO, TO SERVE AS A PILOT PLANT FOR DEMONSTRATION OF NEW FOREST BIOMATERIALS, INCLUDING PRODUCTS MADE WITH LIGNIN

OPENING CEREMONY OF THE FPINNOVATIONS 3 KG/DAY NCC PILOT PLANT IN POINTE-CLAIRE, QUÉBEC, TO PROVIDE NCC FOR UNIVERSITY AND OTHER RESEARCH

FIRST SERIES OF COOPERATION AGREEMENTS SIGNED BY FPINNOVATIONS, THE FIRST NATIONS OF QUÉBEC AND LABRADOR ECONOMIC DEVELOPMENT CORPORATION AND FORÊT MODÈLE DU LAC-SAINT-JEAN TO PROVIDE DEVELOPMENT SUPPORT FOR NATIVE-OWNED FOREST COMPANIES

AMERICAN EDITION OF THE CLT HANDBOOK DRAFTED

FPINNOVATIONS ADOPTS A BUSINESS PLAN FOCUSING ON COOPERATIVE RESEARCH AND RESTRUCTURES R&D ACTIVITIES AROUND 11 KEY RESEARCH PROGRAMS

2010

2011

2012



Opening ceremony of the CelluForce NCC demonstration plant. CelluForce is a Domtar-FPINnovations joint venture. From left to right: Alain Paquet, Québec Minister for Finance; Joe Cunningham, Manager, Forest Innovation, Canadian Forest Service, Natural Resources Canada; John D. Williams, President and CEO, Domtar; and Pierre Lapointe, President and CEO, FPINnovations.



Message from the Chairman of the Board
and the President and Chief Executive Officer

**Five years of innovation for
the Canadian forest sector.
And we've only just begun.**



Pierre Lapointe
President and Chief Executive Officer

Al Ward
Chairman of the Board



**MORE THAN EVER, WE ARE
COMMITTED TO THE ONGOING
DEVELOPMENT OF A POWERFUL
INNOVATION HUB FOR OUR
INDUSTRY AND ITS FUTURE.**

Five years ago, we invited our industry members and government partners to make a wager on the future. By voicing our conviction that developing the Canadian forest sector required not only individual research into new processes and technologies, but also the creation of a structured vision encompassing the broader innovation process, we set the stage for what we hoped would become our future contribution to the forest sector, the Canadian economy and job-creation across the country.

We could not have extended this invitation at a worse time for our industry members, which had barely emerged from the problems of the early 2000s and were about to face North America's worst economic downturn since the Great Depression. Indeed, their financial contributions toward FPIInnovations' activities plummeted by 70 percent in 2009-2010, forcing us to implement substantial cost-reduction measures and ask our government partners to increase their support.

The trying times, however, in no way lessened the pertinence of the two fundamental reasons for our invitation. These were to make R&D part of the broader innovation process, and to make the process itself part of a pivotal approach to enable better coordination of efforts by the stakeholders: industry, university networks, and government partners. Over the past year, these two aspects — innovation and a pivotal approach — have merged to create what we call a true hub of innovation for the Canadian forest sector. A hub that will benefit all segments of our industry: pulp, paper and bioproducts, wood products, forest operations and wood fibre.

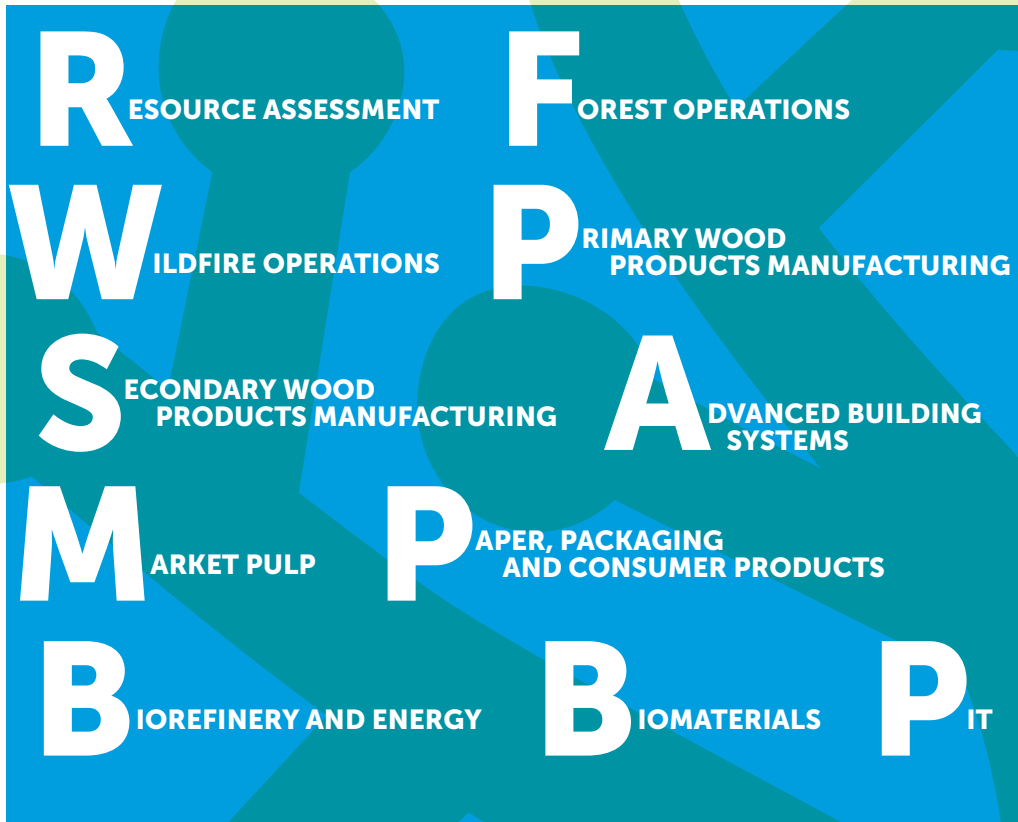
To expand on this idea, a hub is a place where things come together. No one owns it, no one can charge a right-of-way. But its existence enables the convergence of three essential strengths for our sector's future development and market alignment, namely, industry initiative and capital, innovative R&D and engineering resources, and financial support from government partners. A hub is not the same thing as a magnet. It doesn't centralize things: it serves as a catalyst.

Although one of FPIInnovations' original mandates was to become the hub of a forest sector innovation system for Canada—it is clear that we could not do this alone. Many stakeholders have been involved in discussions about the forest sector Innovation Agenda and the best ways to ensure there is reasonable balance among the competing needs of industry, governments, broader sector goals, opportunities and circumstances. Much progress has been made, including the National Forest Sector Transformation Strategy (NFSTS), and either setting up or revitalizing committees that are now working together to make this a reality.

A key difference between FPIInnovations and other research institutes is the collaborative research program member advisory process. In concert with the work that the Forest Products Association of Canada (FPAC), Natural Resources Canada (NRCan) and FPIInnovations were doing on the NFSTS, a new committee of the Board was formed—the National Research Advisory Committee (NRAC). The NRAC brings together industry members, government partners, and for the first time, university representatives from the eight Natural Sciences and Engineering Research Council of Canada (NSERC) Forest Sector R&D Networks. At the inaugural meeting, it was agreed that the NRAC was the most suitable body to provide strategic direction for moving the Innovation Agenda forward and representing the broader interests of the sector.



Our research programs



The eight Networks focus on four broad development areas: next-generation building solutions; next-generation pulps and papers; energy and chemicals from forest biomass; and novel bioproducts. This NSERC initiative and Industry Canada Centres of Excellence involve no fewer than 27 Canadian universities, 120 professors and 300-plus students. Some 110 employees of FPInnovations contribute to the initiative.



New wood building systems have already made significant breakthroughs, particularly in Québec and British Columbia.

Last fall, the NSERC Networks created a council of network directors called FIBRE (Forest Innovation by Research and Education). This group was formed to ensure that regular dialogue takes place, not only among the Networks, but also with other stakeholders such as FPIInnovations, NRCan and FPAC.

The NSERC R&D Partnership Committee was revitalized last year. It is a forum for all the stakeholders, and NSERC, to share information on progress and to ensure that the various groups continue to work together on common goals.

As a result of these efforts, the innovation hub is looking more and more like a huge network stretching across most Canadian provinces. This provincial penetration is very important—even necessary—for our efforts. Without a doubt, it flows from our close collaboration with FPAC, with which we are building projects and working to fund them, in an industry that is highly capital intensive. By working together, we can channel our efforts toward partners in regions where the idea of an innovation hub takes on tangible meaning, driving regional economic development. Ever since the start of our collaboration on the Bio-Pathways Project, we have realized that with a sector as diversified as Canada's forest industry, our R&D efforts are legitimate only if they lead to concrete applications in the regions where the industry is active. And this is exactly what we are striving to deliver.

We are now collaborating actively with most Canadian provinces, and are asking them to continue these concerted efforts by boosting their support for our networks and programs. The results are already tangible. Let us give you a few examples.

New wood building systems have already made significant breakthroughs, particularly in Québec and British Columbia. The latter province has even amended its building code to enable these innovative technologies and processes. Canada-wide, the potential impact of the construction of multi-storey light wood-frame buildings is estimated to be equivalent to the output of a small sawmill, or 150 full-time mill and forest jobs. Construction of next-generation post-and-beam buildings (up to ten storeys) and cross laminated timber (CLT) structures could generate enough work for three large sawmills, or 1,230 full-time mill and forest jobs. Hybrid structures offer similar possibilities. As for wood-fibre insulation, the North American market is conservatively estimated at \$200 million.

In Newfoundland and Labrador, enhanced forest inventory systems will allow a paper mill to maintain product quality while reducing wood costs, for a potential gain of at least \$1.7 million per year.

Under the heading of biorefining, joint projects are under way with a number of facilities across the country. Joint product development agreements are being signed with a growing number of potential end users, including chemical manufacturers. Biorefining in a kraft plant, for example, can enable the extraction of underused substances such as lignin and hemicellulose and their conversion into value-added products. Ultimately, we estimate that the kraft pulp industry could increase its shipments to Canadian customers by \$250 million. Similarly, Canada's dissolving pulp industry could bring in an additional \$40 million in revenue by capturing just half the potential value of underused substances.

CelluForce, a Domtar-FPIInnovations joint venture located near Windsor, Québec, ended 2011 with the construction of the world's first nanocrystalline cellulose (NCC) plant with a production capacity of a tonne a day. Research, development and pre-commercialization of NCC have created over 100 high-quality



In Newfoundland and Labrador, research by FPIInnovations could translate into significant cost reduction.

jobs so far. Within the next ten years, we expect to see NCC become a strategic material used in Canada and around the world, with a potential market of over \$1 billion per year in North America alone. This could create at least 2,500 direct jobs in Canada, and within 20 years all Canadian pulp and paper companies should be able to integrate NCC into their product lines. NCC is the first nanoproduct approved by the Canadian regulatory authorities in terms of environmental safety and human health.

TRANSFORMATIVE TECHNOLOGIES PROGRAM LEADS TO WORLD'S FIRST NANOCRYSTALLINE CELLULOSE DEMONSTRATION PLANT

Forest sector innovation this year took a giant step in support of a green and economically viable bio-economy with the opening of the world's first nanocrystalline cellulose (NCC) demonstration plant.

NCC is a nanomaterial with unique properties that can be extracted from wood through a process patented by FPInnovations. NCC is an abundant material that is renewable, recyclable, and with minimal risk to the environment. Its unique characteristics make it possible to revolutionize numerous applications, such as security papers, packaging, coatings, cosmetics, paints and construction products.

Collaborative research with university and industry partners enabled FPInnovations to develop the breakthrough technology that led to the production of NCC. Work was carried out by FPInnovations and industry partner Domtar, with support from both the Government of Canada and the Government of Québec. The federal government's contribution was through the Pulp and Paper Green Transformation Program and the Transformative Technologies Pilot-Scale Demonstration Program.

On January 26, 2012, the world's first NCC demonstration plant was inaugurated at the Domtar pulp and paper mill site in Windsor, Québec. The plant is run by CelluForce, a joint venture between FPInnovations and Domtar to manufacture large quantities of pure NCC on an experimental basis. Already, the plant has resulted in 30 direct new jobs and produces 1,000 kilograms (one tonne) of NCC per day.

"We are very proud that this innovation developed by FPInnovations' research team is now moving from the laboratories to the marketplace."

Pierre Lapointe, President and CEO, FPInnovations

The great success of NCC is underscored by its rapid progress from inception to realization, taking less than three years to reach this important milestone. This is a remarkable achievement for an organization as young as FPInnovations, celebrating its 5th anniversary in April 2012, and one that could only be accomplished through a strong and talented research team, excellent collaboration with university and industry partners, and targeted government funding support.

It is no exaggeration to say that, with FPInnovations, the Canadian forest sector has created its own innovation model. We didn't import it. We built it taking into account our forest industry's specific features and regional diversity with respect to problems and challenges. Today, this model is seen as a reference in our field. A report called **Innovation Canada: A Call to Action**, prepared by a panel chaired by Tom Jenkins, proposes the deployment in Canada of an innovation model featuring the main components of FPInnovations' forest sector approach. The authors of the report point to FPInnovations as one of the "significant non-profit sector examples" that have emerged to fill the gap in the Canadian innovation system.

At the plant's ribbon-cutting ceremony, Pierre Lapointe, FPInnovations' President and CEO, stated that NCC represents "a significant milestone in Canadian innovation history," adding that "through investment in public-private partnerships, Canada is taking a leadership position in developing and deploying game-changing innovations, such as NCC, to help the transformation of the forest industry and create wealth for Canadians."

Other attendees included: the Honourable Joe Oliver, Minister of Natural Resources Canada; Alain Paquet, Québec Minister for Finance; John D. Williams, President and CEO of Domtar, and Jean Moreau, President and CEO of CelluForce. Minister Oliver said, "Supporting innovative projects such as this one is essential to expanding and diversifying markets both at home and abroad and to creating new economic opportunities for forest-dependent communities."

NCC improves the strength, durability and toughness of products, and reduces damage caused by wear and abrasion. It has the potential to transform the performance of existing commercial products. New and improved products for multiple industries have the potential to open new and lucrative global markets for Canada's forest sector.



Pierre Lapointe, Jean Moreau and John D. Williams, respectively Presidents and CEOs of FPInnovations, CelluForce and Domtar.



The CelluForce team and guests give the thumbs up at the inauguration of the plant.

In a report published in February 2012, PIPAME, a French inter-ministerial body responsible for forecasting economic changes, singled out FPIInnovations as an example of national coordination:

“FPIInnovations enables a coherent, national vision that takes into account all possible uses of a resource, wood, leading to the creation of value, benefits and results. Speaking with a single voice enhances the Canadian forest industry’s international visibility. The unified organization built around FPIInnovations also enables the industry to tackle issues and explore prospects throughout the forest sector value chain, promote the use of a local resource and identify new market prospects. The advantages of this type of structure lie in the integration of technical skills and best practices, optimization and deployment of knowledge transfers, greater commitment by universities and other R&D organizations, a more solid base for partnerships, a strategic approach and a cohesive policy.”

— *English translation of an excerpt from **Prospective sur le marché actuel des nouveaux produits issus du bois et des évolutions à échéance 2020**, published by Pôle interministériel de prospective et d’anticipation des mutations économiques (PIPAME).*

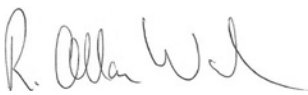
As previously mentioned, our unique model is increasingly taking the shape of an innovation hub, a place of convergence for the driving forces of our industry, R&D and the public sector. Over the past year, FPIInnovations has translated our role in this hub into operational terms for our organization. This has led us to define a business model in which collaborative research plays the central role. For a fuller explanation of this business model, see the text by Alan Potter, FPIInnovations’ Executive Vice-President, in the Review of Activities published at the same time as this Annual Report. We want to emphasize that the only way we can achieve this organizational vision based on collaboration is by building strategic partnerships. Under our model, university R&D is a tool, and we encourage its deployment by drawing on resources and funding from a variety of sources: private and public, provincial and federal, national and international, traditional and innovative. To get the most out of all aspects of our business model — scientific, governmental, academic, industrial, financial — we need solid, structured, properly funded partnerships.

It has been five years since we invited our industry members and government partners to opt for innovation, and we think that we have made a great deal of progress toward creating an innovation hub for the Canadian forest sector. We are convinced that we have delivered the goods to our private and public funders, in line with or in many cases beyond their expectations. There is no doubt, this is why they have renewed their trust in us year after year, by maintaining their support for our initiatives.

It goes without saying that FPInnovations management cannot take all the credit for this progress. We also owe our success to all our employees and the people who have worked with us to make this unifying innovation hub possible for our industry. We want to thank everyone for their hard work, involvement and dedication.

We have achieved a lot, but even more remains to be done. Together, we can lay the foundation for the Canadian forest sector for the coming decades. This is a long-term job requiring vision, unflagging effort and sustained funding. We need to remember that the forest industry is capital intensive. It has been built on substantial investments, and the current shift to innovation will require similarly high levels of capital. We are therefore calling on our private and government partners, both provincial and federal, to stay with us. More than ever, they are partners in building a new scientific innovation model, unique in the world.

On our side, we promise to keep up our efforts, as we know that our success depends on the results we continue to deliver to our partners, year after year, achievement after achievement.



Al Ward
Chairman of the Board



Pierre Lapointe
President and Chief Executive Officer

Message from the Chief Financial Officer

**Financial management
aligned with the
organization's
business plan**



Yves Nadon
Chief Financial Officer

**AS FPINNOVATIONS MAKES HEADWAY
IN DEPLOYING ITS BUSINESS PLAN
AND, ALONG WITH ITS PARTNERS,
CONTRIBUTES TO THE EMERGENCE
OF A TRUE INNOVATION HUB
FOR THE CANADIAN FOREST SECTOR,
WE MAKE SURE THAT OUR
FINANCIAL STRUCTURE IS ALIGNED
WITH OUR NEEDS, OBJECTIVES
AND CHALLENGES.**

Figures are a prime indicator of an organization's financial health — and, as highlighted below, they are also an indicator of the organization's future ability to meet its commitments and strategic objectives.

From the viewpoint of revenue and expenditures, 2011-2012 was FPInnovations' second highly satisfactory year since the challenging economic conditions of 2009-2010. It should be pointed out that, in terms of financial performance and product prices, the forest sector is in a better position than it was three years ago. For FPInnovations, this meant higher membership revenue, which at \$20.2 million this year, was 19 percent above budget. Other than member contributions, our main sources of revenue were \$16.5 million from the provinces (\$1.6 million above budget), \$42.0 million from the federal government, and \$13.2 million from industry contracts. Including other sources of revenue, the total was \$96.8 million, i.e., \$3.8 million above budget. Expenditures were \$91.7 million, which was higher than the forecast \$89.3 million. The difference is mainly due to the increased number of industry contracts. The bottom line: revenue exceeded expenditures by \$5.1 million.

The salaries and benefits budget was \$49.6 million and the final total came in at \$48.5 million. Non-salary expenditures, at \$43.2 million, were 9 percent higher than budget, which can be explained by the higher-than-expected contract revenue and the consolidation of facilities in Pointe-Claire.

In terms of cash flow, we generated \$2.3 million in cash assets and used the line of credit for only a very brief period, due to a delay related to the 2011 federal election and the government's allocation of certain funds.

We are very pleased with these results, which point to sound financial management. Above all, they show that our partners continue to place high value on forest sector innovation. One

Above all our results show that our partners continue to place high value on forest sector innovation.

of the important components of our business plan is aligning our efforts with the needs of the various regions of the country where we can contribute to economic development and employment. We believe that contributions from the provinces, which were higher than expected, despite some budget constraints, are a sign of the pertinence of this approach. We also want to recognize the efforts of the federal government to renew its financial contribution as quickly as possible, despite the delay caused by the election. We see this as another confirmation of the business strategy that we have proposed to our partners.

We devoted significant efforts over the past year to make sure that FPIInnovations remains a flexible organization that can quickly adapt and position itself to make the most of opportunities. We are aware that our field of expertise, innovation, is an increasingly competitive sector in a knowledge-based economy, and that attracting and keeping people with cutting-edge skills is a constant challenge. We believe that the integration in 2011-2012 of the Oracle Human Resource module into our information systems will be of substantial help in managing our talent and developing succession plans. The new module will allow us to do a better job of meeting our partners' needs.

At the same time, we began to deploy Microsoft® SharePoint®, which will serve as a collaborative platform for our new intranet, extranet and Internet sites in 2012-2013. We anticipate significant efficiency gains thanks to this platform, which will facilitate dialogue and communication among FPIInnovations personnel and between FPIInnovations and its members.

During 2011-2012, we completed the merger of the various pension plans that were inherited from the former FPInnovations divisions.

We also began to devote significant, ongoing efforts to maximize synergies throughout the organization and to exercise strict cost control. This year we consolidated our two offices in Pointe-Claire, which not only reduced operating costs but also created an environment more conducive to organizational cohesion, teamwork and productivity. Over the coming year, we will explore other sectors of the organization where we can achieve similar benefits.

FPInnovations continued to administer 13 pilot-plant projects launched in 2010-2011 under the federal government's Transformative Technologies Program. This included working with the federal and provincial governments (including Québec participation in supporting the CelluForce joint venture) as well as industry funding partners to ensure that the final \$14.1 million was distributed and spent (\$11 million was for the CelluForce joint venture).

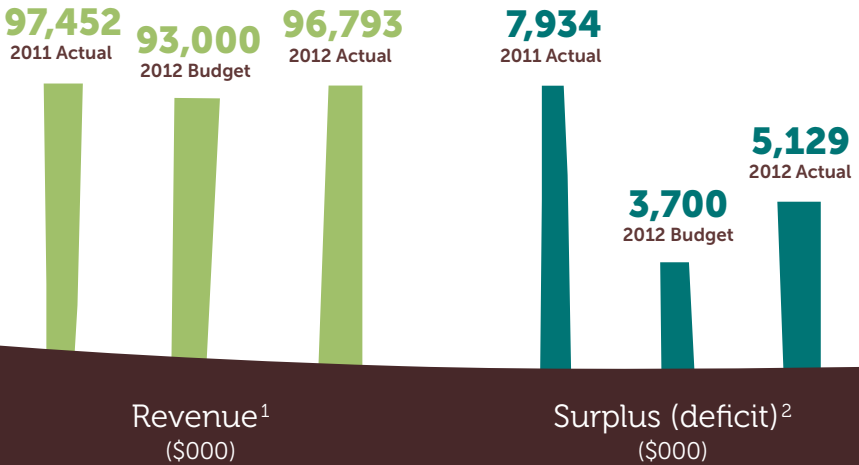
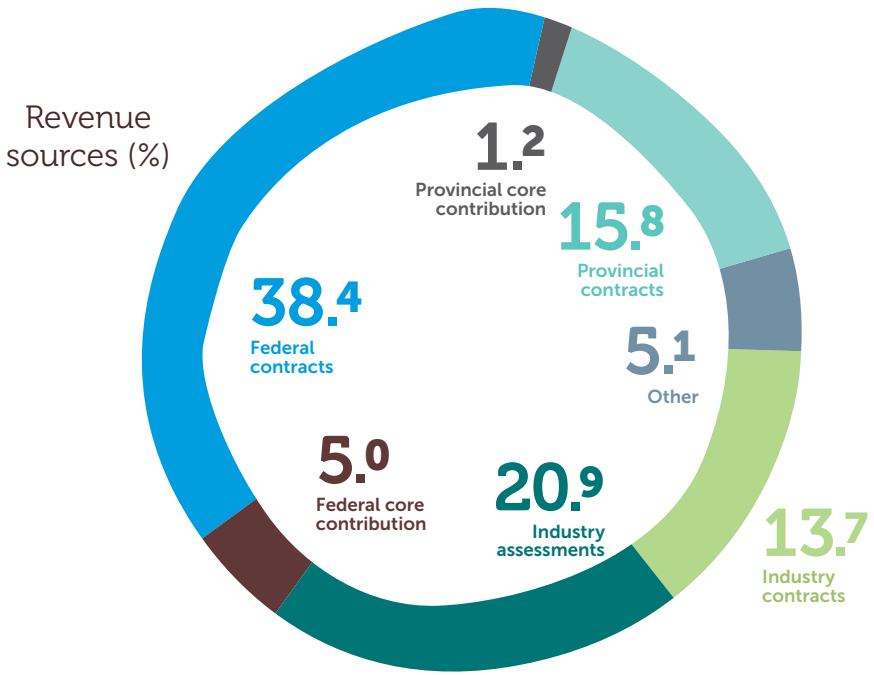
In conclusion, we are highly encouraged by the results of our most recent fiscal year and feel that they point to significant progress in meeting the targets we have set and proposed to our partners. Over the next months and years, we plan to work even harder to create the necessary financial conditions for a successful future.



Yves Nadon
Chief Financial Officer

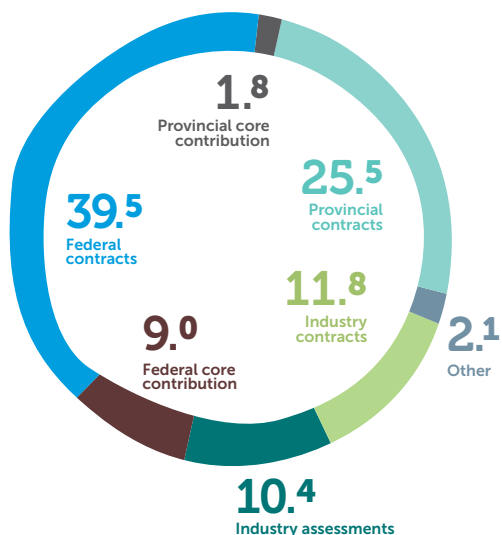
Financial results

As at March 31, 2012

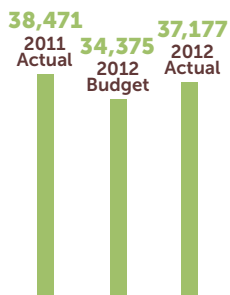


¹ Excluding non-recurring demonstration projects. | ² Before exceptional items.

Revenue sources (%)

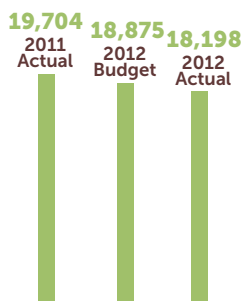


WOOD PRODUCTS



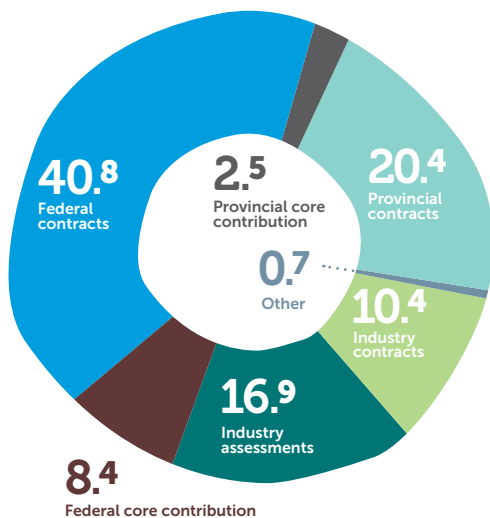
Revenue¹ (\$000)

FOREST OPERATIONS



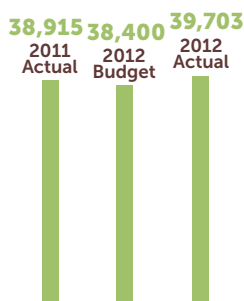
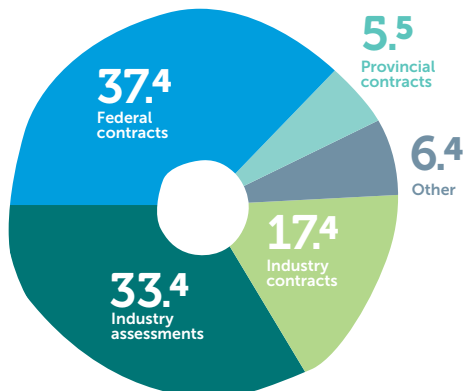
Revenue¹ (\$000)

Revenue sources (%)



PULP, PAPER AND BIOPRODUCTS

Revenue sources (%)



Revenue¹ (\$000)

Membership information

List of members and partners
as at March 31, 2012

A

Acadian Timber / AT Limited Partnership
Acier Ecan (Division of Acier AGF)
Adfast Corporation (Adchem Adhesives)
AEF Global
Agropur
Ainsworth Lumber Co.
Airex Industries
Akzo Nobel Bois Peintures
Alberta Newsprint Company
Alberta-Pacific Forest Industries
Alpa Lumber
Altec Integrated Solutions
Ameublement Tanguay
Arch Wood Protection Canada
Architectures Toubois
Armoires Distinction
Arrow Transportation
Art Massif Structure de bois
Artopex
Autolog
AV Cell
AV Nackawick

B

Barrett Enterprises
BC Hydro
BC Transmission Corporation
Bégin & Bégin
Bherco
Big Freight System
Bison Transport
Boa-Franc
Bois Ditton
Bois Expansion
Bois Franc Model
Bois Franc Mont-Royal
Boisaco
Boise Cascade AllJoist
Boucher Bros. Lumber
Bourassa Transport
Boutin Transport
BP Building Products of Canada/
La Cie matériaux de construction
BP Canada
Buckman Canada

- Industry members
- Wildfire Operations (WFORG) program
- Performance
- Innovation Transport (PIT) program

C

Cabico

Canadian National Railway

Canadian Tire

Canfor

Cariboo Pulp & Paper Company

Cascades Transport

CAT

CGER

Chantiers de Chibougamau (Les)

CNTL

Coast Tsimshian Resources

Conair Group

Conception R.P.

Conférence régionale
des Élus du Bas-Saint-Laurent

Conférence régionale
des Élus de la Côte-Nord

Conférence régionale des Élus
Gaspésie-Îles-de-la-Madeleine

Coopérative Forestière
Ferland-Boileau

Coopérative Forestière
de la Matapédia

Coopérative Forestière
de Petit Paris

Coopérative Forestière
de Ste-Rose

Coopérative Forestière Girardville

Coopérative Forestière
Hautes-Laurentides

Coopérative Laterrière

Corporation Internationale
Masonite (La)

Coulson Air Crane

Création Alpha Design

D

Damabois

Dava

Diacon Technologies

Distribution R. Désilets

DK-Spec

Domtar

Doucet Machineries

Dunin Technologies

E

EACOM Timber Corporation
East Fraser Fiber Company
Éloi Moisan
Équipements Comact
Escaliers Gilles Grenier

F

Federated Co-operatives
FibreK
Florcan

G

G3 Transport
Genics
Gestion Forestière Lacroix
Gestion Rémabec
Giguère & Morin
Government of Alberta
Government of North
West Territories
Government of Saskatchewan

Government of Yukon

Grand Island Express

Groupe Crête (Division of
St-Faustin)

Groupe G.D.S.

Groupe Lebel (2004)

Groupe Luxorama (Le)

Groupe Morneau

Groupe NBG

Groupe Savoie

H

Hultdins

Hydro-Québec

I

Industries A.P. (Les)

Industries JSP (Les)

Industries Lacwood

Industries PHL

Interbois

International Forest Products

Island Timberlands

- Industry members
- Wildfire Operations (WFORG) program
- Performance
- Innovation Transport (PIT) program

J

J.D. Irving
 J.M. Champeau
 J.O. Noël Houle et Fils
 Janssen PMP
 Jean Riopel
 (Division of Groupe Crête)

K

Kootenay Innovative Wood
 Kop-Coat
 Kruger

L

L&M Lumber
 Laboratoire Primatch
 Landes Forestières UAPATS
 Laurentide Industriel (Division
 of Société Laurentide)
 Lauzon Industries
 Liebherr Canada
 Lignol Innovations
 Lincoln Paper & Tissue
 Louisiana-Pacific Corporation
 LP Engineered Wood Products
 LVL Global

M

M.C. Forêt
 Machineries Automatech (Les)
 Machinerie Lico
 Maibec
Manitoulin Transport
 Manning Diversified Forest Products
 Marcel Lauzon
 Matériaux Blanchet
 Matériaux Spécialisés de Louiseville
 McRae Lumber Company
 Meadow Lake OSB
 Meubles Canadel
Meyers Transport
MGG, LCC Eco Fire Solutions
 Microtec Industries
 North American
 Mill & Timber Products
 Millar Western Forest Products
 Moncrief Renewables

MTQ

N

National Bank of Canada
NB Power
NEFAB
Northland Forest Products

O

Olofsfors Inc
Outils Gladu

P

Pacific Carbon Trust
Parquets Alexandra
Paul's Hauling
Peinture Can-Lak
Planchers de bois-francs Wickham
Planchers des Appalaches
Planchers Mercier (Les)
Planit Canada
Porter Engineering
Portes Baillargeon (Les)
Portes Lemieux
PPG Industries
Preverco
Produits Forestiers Arbec
Produits forestiers Canbo
Produits Forestiers DG (Les)
Produits forestiers Lamco
Produits forestiers Temrex

R

Réné St-Cyr 1996
Richmond Plywood Corporation
Rio Tinto Minerals (U.S. Borax)
Rocky Wood Preservers
Roland Boulanger et Cie
RST Industries
Rustic Portes et fenêtres

S

Sawquip International
SAQ
Scierie Duhamel
Scierie SerDam
Scierie St-Fabien
Scieries Chaleur
SCS Forest Products
Séchoir MEC
Seven Islands Land Company
Silvana Import Trading
Simard cuisine et salle de bains
Simon Lussier
Sinclar Group Forest Products
Slave Lake Pulp
SLH Transport
Smart-Evolution
Sobeys
SOCAM

- Industry members
- Wildfire Operations (WFORG) program
- Performance
- Innovation Transport (PIT) program

U

Solve Ajourée 2000
 Spray Lake Sawmills (1980)
 Stadacona (Division of White Birch Paper)
 Stella Jones Canada
 Structurlam Products
 Stuwix Resources Joint Venture
 Sundance Forest Industries
 Sylviculture La Verendrye
 Synergy Pacific Engineered Timber
 Systèmes HMS Canada (Les)

V

Uniboard Canada
 University of Northern British Columbia
 USNR

VAB Solutions
 Valspar
 Vanderwell Contractors (1971)
 Vanico-Maronyx
 Vexco
 Viance

Ville de Beaconsfield
Ville de Dollard-des-Ormeaux
Ville de Montréal – Borough of Pierrefonds-Roxboro
Ville de Rivière-du-Loup
Ville de Saguenay
Ville de Saint-Jean-sur-Richelieu
Ville de Shawinigan
Ville de Sherbrooke
Ville de Victoriaville

T

Tecolam
 Tembec
 Tembec Resin Group
 The Dow Chemical Company
 The Sherwin-Williams Company
 The Teal-Jones Group
 Thermo Structure
Thermo Technologies, LLC Thermo-Gel
 Timber Specialties (Division of Osmose Holdings)
 TimberWest Forest
 Tire Pressure Control International
 Tolko Industries
Transport Canada
Transport Hervé Lemieux
Transport Robert
Transport TYT

W

Wagner Electronics
West Fraser Timber
Western Archrib
Western Forest Products
Westmill Industries
Weyerhaeuser
Whitecourt Transport
Wildfire Environmental
Winton Global
Whitefeather Forest Management
WoodPlus Coatings

Y

Yanke
YN. Gonthier

Z

Zavisha Sawmills
Zellstoff Celgar
(Mercer International Group)



GOVERNMENT PARTNERS

FEDERAL

Government of Canada
Natural Resources Canada,
Canadian Forest Service

Government of
Northwest Territories

Government of Nova Scotia

PROVINCES AND TERRITORIES

Government of Alberta

Government of Ontario

Government of Québec

Government of British Columbia

Government of Saskatchewan

Government of New Brunswick

Government of Yukon

Government of Newfoundland
and Labrador

Governance

As at March 31, 2012

OFFICERS OF THE CORPORATION

Chairman of the Board
Al Ward

Vice-Chairman of the Board
John D. Williams

President and Chief
Executive Officer
Pierre Lapointe

Chief Financial Officer
Yves Nadon

Corporate Secretary
Norine Young

BOARD OF DIRECTORS

CHAIRMAN
Al Ward
Alberta-Pacific Forest Industries

VICE-CHAIRMAN
John D. Williams
Domtar

Daniel Archambault
Kruger

Don Banks
Tolko Industries

Kent Campbell
Ministry of Energy and Resources
Government of Saskatchewan

Catherine Cobden
Forest Products Association
of Canada

Pierre-Gabriel Côté
Fibrek

Mark Feldinger
Canfor

Doug Konkin
Ministry of Forests, Lands and
Natural Resource Operations
Government of British Columbia

Pierre Lapointe
FPInnovations

Jim Lopez
Tembec

Bruce Mayer
Sustainable Resource
Development
Government of Alberta

Yvon Pelletier

Tembec

Tom Rosser (Non-Voting)

Canadian Forest Service
Natural Resources Canada

Richard Savard

Ministry of Natural
Resources and Wildlife
Government of Québec

Ted Seraphim

West Fraser Timber

Charles Tardif

Maibec

Bill Thornton

Ministry of Northern Development,
Mines and Forestry
Government of Ontario

OBSERVER

Ailish Campbell

Industries Branch
Industry Canada

**BOARD MEMBERS WHO
RESIGNED OR RETIRED IN
2011-2012**

Don Cayouette

Kruger
March 28, 2012

Ken Higginbotham

Canfor
June 28, 2011

Henry H. Ketcham III

West Fraser Timber
September 28, 2011

Avrim Lazar

Forest Products Association
of Canada
March 28, 2012

Bob Ruggles

Government of Saskatchewan
October 18, 2011

OBSERVER

Tim Elliot

Industry Canada
November 16, 2011

FPIInnovations wishes to thank
these former Board members
for their valuable contribution
to the Corporation.

Research advisory process

National Research Advisory Committee (NRAC)

The role of the National Research Advisory Committee (NRAC) is to support research and long-term strategic development. This committee also ensures that all research aligns with the National Forest Sector Transformation Strategy (NFSTS).

NRAC members meet twice a year. The chair is appointed from the members of the FPInnovations' Board of Directors. The other NRAC members are drawn from FPInnovations' partner organizations and academic circles.

LIST OF NRAC MEMBERS AS AT MARCH 31, 2012

CHAIRMAN

Yvon Pelletier
Tembec

Don Banks (PAC Chair
– Forest Operations)
Tolko Industries

Blake Brunsdon
J.D. Irving

David Chamberlain
Kruger

Joe Costantino
Millar Western Industries

André Denis
Ministry of Natural
Resources and Wildlife
Government of Québec

Fred Dzida
Weyerhaeuser

Susanna Laaksonen-Craig
British Columbia Ministry of
Forests, Lands and Natural
Resource Operations

Bruno Marcochia
Domtar

Glenn Mason
Natural Resources Canada

Brian Merwin
Mercer International

Lorne Morrow
Center for Research and
Innovation in the Bio-Economy
(CRIBE)

Daryl Nichol
Alberta-Pacific Forest Industries

Note: The Program advisory committees (PACs) are defined and presented on page 32.

Dan Wilkinson
Government of Alberta
– Sustainable Resource
Development

NON-VOTING MEMBERS

Lyle Biglow
(PAC Chair – Biomaterials)
Tembec

Kevin Blau
(PAC Chair – Composites)
Tolko Industries

Alain Bossé
(Chair – Hardwood Processing)*
Groupe Savoie

Geoff Clark
(PAC Chair – Biorefinery)
Alberta-Pacific Forest Industries

Alain Cloutier (NSERC Network)
Université Laval

Catherine Cobden
Forest Products Association
of Canada

Lynn-Embury Williams
(NSERC Network)

Martin Fairbank (NSERC Network)
Natural Resources Canada

Jacques Girard
(PAC Chair – Building Systems)
Produits Forestiers Lamco

Eric Heine
(PAC Chair – Market Pulp)
Mercer International Group

Ken Higginbotham
(PAC Chair – Resource Assessment)

Janusz Lusztyk (NSERC Network)
NRC Institute for Chemical Process
& Environmental Technology

Dave McDonald (NSERC Network)

Ryan Oliver
(PAC Chair – Lumber Manufacturing)
Tolko Industries

Jack Saddler
(NSERC Network)
University of British Columbia

Balázs Tolnai
(PAC Chair – Paper, Packaging
and Consumer Products)
Kruger

* This is an Advisory committee. Chair: Alain Bossé, Groupe Savoie.
Vice-president: Raymond Coombs, Interbois.

Program Advisory Committees (PACs)

Program Advisory Committees (PACs) provide guidance to ensure the various FPInnovations research programs are relevant to the industry's greatest needs. They also ensure that research activities are geared towards operational improvements, best practices and technology transfer. PACs evaluate and approve research project proposals; they also evaluate the performance of projects that have been set in motion. They report to the NRAC on the progress and performance of the various research programs.

The members of each Program Advisory Committee (PAC) are representatives of FPInnovations' member organizations. The National Research Advisory Committee (NRAC) appoints a PAC chair from among the committee members. PACs meet twice a year.

WOOD PRODUCTS AS AT MARCH 31, 2012

Keith McGregor
Canadian Forest Products

LUMBER MANUFACTURING

Jean-Sébastien Pelletier
Maibec

CHAIRMAN
Ryan Oliver
Tolko Industries

Suzanne Nash
Canadian Forest Service
Natural Resources Canada

Stéphane Bouchard
Kruger

Dean Rubisch
West Fraser Mills

Jim Ciccateri
Ministry of Jobs,
Tourism and Innovation
Government of British Columbia

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Western Forest Product

CHAIRMAN
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Produits Forestiers Lamco

Iain Donaldson
Western Forest Products

Pierre M. Audet
Groupe Distribution Toiture
Mauricienne

Bob Jones
Canadian Forest Service
Natural Resources Canada

Cliff Baker
Timber Specialties

Alain Gauthier
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Kevin Blau
Tolko Industries

Marc Giguère
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Resources and Wildlife
Government of Québec

Rick Brouckxon
LP Building Products

Bill Love
Tembec

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Canadian Forest Service
Natural Resources Canada

Ying Hei Chui
University of New Brunswick

Jim Ciccateri
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Tourism and Innovation
Government of British Columbia

Joe Cunningham
Canadian Forest Service
Natural Resources Canada

Pedro Da Silva
Boise Cascade

Bill Downing
Structurlam Products

Lynn Embury-Williams
LEW Consulting Services

Kent Fargey
Western Archrib

Julie Frappier
Nordic – Bois d'ingénierie

Stewart Garden
Canfor

Véronique Gilbert
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Resources and Wildlife
Government of Québec

Noël Grenier
LVL Global

Helen Griffin
Canadian Wood Council

Roger Halbgewachs
Western Archrib

Bob Jones
Canadian Forest Service
Natural Resources Canada

Bill Love
Tembec Forest Products

André Morf
Structurlam Products

Suzanne Nash
Canadian Forest Service
Natural Resources Canada

Michael Nomura
West Fraser Mills

Dan Price
Tolko Industries

Steve Price
Alberta Innovates BioSolutions

Reino Pulkki
Lakehead University

Ralph Spaans
Ministry of Natural Resources
Government of Ontario

Joseph Z. Su
National Research Council of Canada
Institute for Research in Construction

Ted Szabo
Alberta Innovates BioSolutions

Frank Turnbull
Canfor

Phil Vacca
Louisiana-Pacific Corporation

Theo van de Ven
McGill University

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APA

Craig Wilson
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Resources and Wildlife
Government of Québec

COMPOSITES

CHAIRMAN
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Produits Forestiers Arbec

Pierre Gingras
Produits Forestiers Arbec

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Ministry of Natural Resources
Government of Ontario

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Ministry of Forests, Lands and
Natural Resource Operations
Government of British Columbia

Paul Mingay
Ministry of Natural Resources
Government of Ontario

Brian St.Germain
Louisiana-Pacific Corporation

André Verville
Uniboard

**PULP, PAPER AND
BIOPRODUCTS**
AS AT MARCH 31, 2012

**PAPER, PACKAGING AND
CONSUMER PRODUCTS**

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Frank van Biesen
Kruger

Peter Ham
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Larry Nadeau
Domtar

Harshad Pande
Domtar

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FibreK

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Lincoln Paper & Tissue

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Tembec

BIOMATERIALS

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Lyle Biglow
Tembec

Shaune Hanley
FibreK

Yajun Zhou
Tembec

Balázs Tolnai
Kruger

Bruno Marcoccia
Domtar

FOREST OPERATIONS
AS AT MARCH 31, 2012

CHAIRMAN
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Tolko Industries

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Acadian Timber

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Alberta-Pacific Forest Industries

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Government of British Columbia

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Canadian Forest Service
Natural Resources Canada

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Domtar

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Québec Federation of Forest
Cooperatives

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Groupe Savoie

Ray Balogh
Island Timberlands

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JD Irving

Deon Hamlyn
Kruger – Corner Brook
Pulp and Paper Mill

Martin Landry
Kruger

Luc Label
Université Laval

Rob Stauffer
Millar Western

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Resources and Wildlife
Government of Québec

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NFDNR

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Government of Ontario

Mike Martel
Tembec

Dave Whiteley
TimberWest

John Innes
University of British Columbia

Scott Marleau
West Fraser

Norm Druck
Weyerhaeuser

RESOURCE ASSESSMENT AS AT MARCH 31, 2012

CHAIRMAN
Ken Higginbotham
Retired (Canfor)

Blake Brunsdon
JD Irving

Tim Moulton
Kruger

Michel Lessard
Tembec

Jim LeLacheur
West Fraser Mills

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Alberta-Pacific Forest Industries

Mark Speers
Ministry of Natural Resources
Government of Ontario

Élisabeth Bossert
Ministry of Natural
Resources and Wildlife
Government of Québec

Daryl Price
Sustainable Resource Development
Government of Alberta

Barrie Phillips
Ministry of Forests, Lands and
Natural Resource Operations
Government of British Columbia

Richard Fournier
Université de Sherbrooke

Peter Marshall
University of British Columbia

Jacinthe Leclerc
Laurentian Forestry Centre
Natural Resources Canada



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