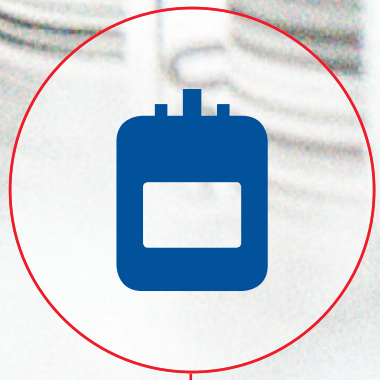

QUALITY
EFFICIENCY
INNOVATION
2012–2013 ANNUAL REPORT
HÉMA-QUÉBEC

Héma-Québec in numbers...

3,562
blood drives organized

1,675
organizing committees



535,860
labile blood products delivered to hospitals

52,416
litres of plasma sent to fractionation

8,066
units of cord blood available in our bank

312,083
registered blood donors (whole blood + apheresis)

40,000
registered stem cell donors

974,226
Quebecers registered with the Registre des consentements au don d'organes et de tissus

1,340
employees

16,000
volunteers

2,311
analysis requests processed for patients by the Reference and Stem Cell Laboratory

75
research projects undertaken

3,771
human tissues delivered to hospitals

340,104
stable blood products delivered to hospitals

$367 million budget

Message

from the Chair of the Board of Directors and the President and Chief Executive Officer

Quality, efficiency and innovation… this is what we had in mind when we started this first year of the *2012–2015 Strategic Plan*. We sought to improve our operating model by automating processes and consolidating certain activities in order to better prepare ourselves for change. Significant effort was invested to streamline management operations and optimize decision-making processes. We strove to enhance empowerment at all levels so as to ensure a foundation that was even more solid and surpass ourselves.

The strategies deployed to increase supply efficiency and reduce operating costs resulted specifically in:

- an increase in apheresis donations;
- the implementation of a regional service point for mobile blood drives on Montréal's south shore;
- an increase in the quantity of Québec plasma sent for fractionation;
- an increase in the production of Québec human tissues;
- the creation of an entirely Québec-based stem cell donor registry;
- the start of the international distribution of stem cells.

Moreover, Héma-Québec continued to review its qualification criteria so as to continually minimize risks and optimize its bank of donors. In this manner, it managed to reduce exclusions by 5,525 donors

(continued on page 6)

(continued from page 4)

compared with 2011–2012. In all, it delivered close to 536,000 labile blood products, more than 340,000 stable blood products, approximately 4,000 human tissues and ten units of cord blood intended for transplant to hospitals. Furthermore, it managed to further reduce the waiting list for cornea transplants.

It also worked to have the *Act respecting Héma-Québec and the haemovigilance committee* amended to enable it to adjust its mandate in keeping with the changing needs of medicine and prepare for imminent technological changes. The requested amendments allow for the creation of a public breast milk bank and make it easier for the government to attribute new functions to Héma-Québec. With the development of cell production, platelets, red blood cells, corneas and human tissues will soon be made from stem cells. Héma-Québec will therefore be able to use its expertise in human products to meet the new needs of Québec patients.

As demonstrated by the content of the annual report, the organization has fulfilled its responsibilities, respecting both the major objectives it set for itself and the priorities of the Québec health system, while using its resources in an optimal manner. Several events, however, drew more attention.

In the fall of 2012, the quarantine of a large quantity of red blood cells focussed the spotlight on the labile product supply strategy, as much in the eyes of Héma-Québec's clients as its partners and the general public. None of the many quarantines implemented since the creation of Héma-Québec in 1998 has generated so much attention. All in all, the event served to demonstrate Héma-Québec's constant efforts to ensure a sufficient and very safe supply. No transfusion reaction attributable to this situation was identified. Moreover, despite the decision made by certain hospitals to cancel surgical activities, there was no actual shortage. Hospitals were able to obtain sufficient quantities of blood products throughout the events.

During the last quarter, as a result of a significant decrease in the expected volumes of orders for labile blood products, we had to accelerate the application of the efficiency strategy. This situation makes the changes initiated in the strategic plan all the more urgent, especially the projects focussing on the increased automation of processes, innovation, and the re-alignment of research and development activities.

In January 2013, we were saddened to learn of the passing of Jean-Pierre Allaire, Chairman of Héma-Québec's Board of Directors. Mr. Allaire joined the Board in May 2005 and had served as its chair since August 2008. He shared his expertise without reserve and his generosity was remarkable. His most recent contributions included instigating a change in Héma-Québec's vision. This initiative has been materialized in the current strategic plan, which will pave the way for the years to come. We recall the image of a dedicated individual who made a significant contribution to the cause of the gift of life.

Héma-Québec has grown remarkably and has been recognized worldwide for its quality and reliability, from the very outset. Today, in order to retain a leadership position as a supplier and producer of biological pharmaceuticals, as well as to be able to respond to emerging needs, all in a context of increasing economic constraints, the organization is using the maturity it has reached as a springboard to excellence.

The following pages provide a report on its efforts and accomplishments, which are the fruit of the work and dedication of its employees and volunteers. We acknowledge their professionalism and their commitment. Thank you for helping us offer quality products and services.

Martine Carré, MA
Chair of the Board of Directors

Jean De Serres, MD, MSc, MBA
President and Chief Executive Officer

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Mission

Héma-Québec's mission is to efficiently provide adequate quantities of safe, optimal blood components and substitutes, human tissues and cord blood to meet the needs of all Quebecers; provide and develop expertise along with specialized and innovative services and products in the fields of transfusion medicine and human tissue transplantation.

Vision

To excel and innovate for better health.

Introduction

Héma-Québec's 2012–2013 annual report covers the financial year ended March 31, 2013.

The first part of this report provides a portrait of the organization. It presents Héma-Québec's mission, vision and administrative organization.

The second part presents the highlights of the year and the context in which its activities took place.

The third part presents the results for the first year following the implementation of the *2012–2015 Strategic Plan.*

The fourth part is dedicated to the activities of the Board of Directors, while the fifth part reports on the actions taken in response to legislative and government requirements, as well as measures taken with respect to sustainable development.

The sixth part lists awards and distinctions received as well as outreach activities undertaken.

Finally, the last section presents the financial statements.

Administrative Organization

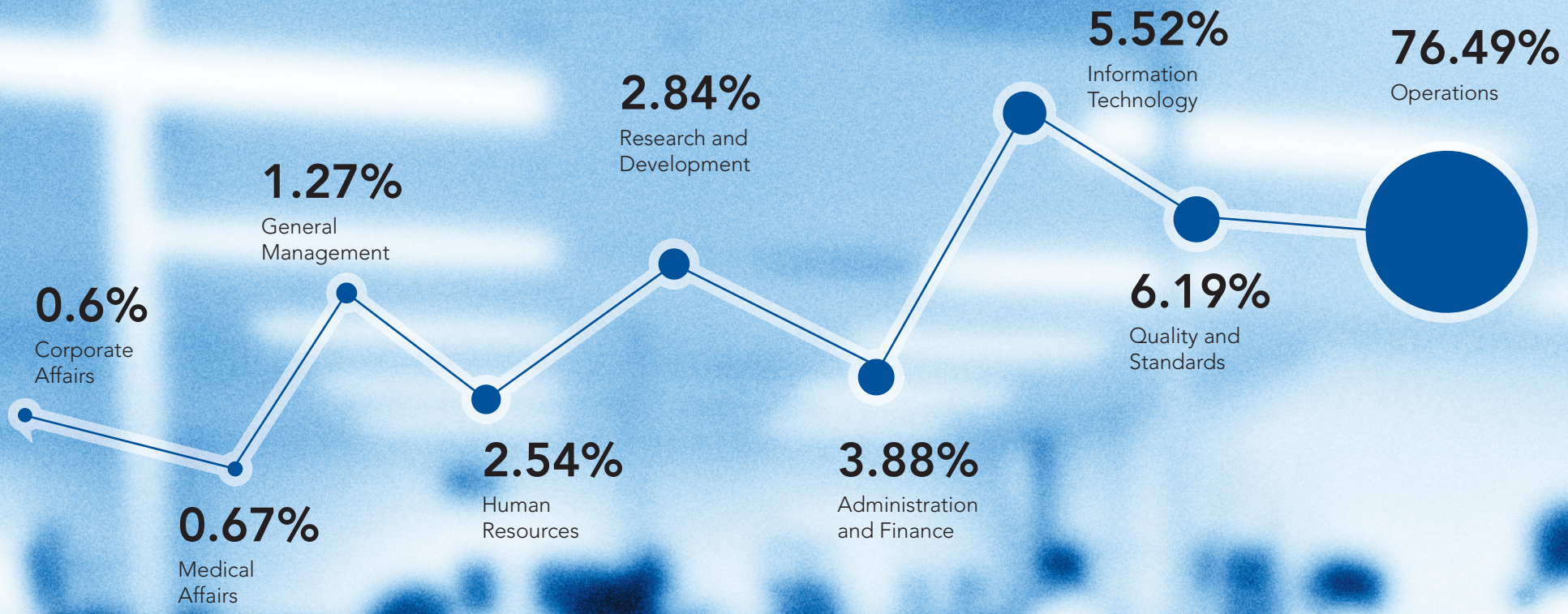
Héma-Québec is a non-profit organization founded in 1998. It is administered by a Board of Directors made up of members who represent all of the stages in the production chain, from donor to recipient. Thus, the Board includes representatives of blood donation volunteers, recipients, physicians and hospital administrators, public health, the scientific community and the business community.

In terms of the safety of the supply, Héma-Québec is governed by the rules established by Health Canada. In Québec, the blood management system is part of the health system. As a supplier, Héma-Québec is responsible for recruiting donors, collecting blood and tissues, testing and processing them and delivering them to the hospitals.

Supplying cell and tissue products to hospitals is also an important component of its mandate. Héma-Québec collects, manufactures and distributes human tissues such as corneas, skin, bones, heart valves and tendons. It is responsible for the *Stem Cell Donor Registry* for Québec, including the province's only *Public Cord Blood Bank*, and provides stems cells nationally and internationally.

Finally, it employs 1,340 employees, including approximately 40 researchers. It has two facilities, including a dozen laboratories, and manages three *GLOBULE Blood Donor Centres*.

BREAKDOWN OF EMPLOYEES BY SECTOR



CONTEXT AND HIGHLIGHTS

Issues and Priorities

Héma-Québec enjoys international recognition in the life sciences sector. In order to continue to excel and innovate, it must adapt to a constantly changing environment.

Investment in cell production intended for clinical research

Héma-Québec processes and distributes an entire line of products of human origin, including more than 25 medications prepared from blood and 17 human tissues and stem cell products. Yet, in keeping with scientific advances, most of these products could be manufactured in laboratories from stem cells within a few years.

Certain medications made from stem cells from outside Québec are already used in the Québec health network, but they are very expensive. The reality is that the development of cell therapies in Québec is hampered by major obstacles. Several cell products simply do not make it to the marketing stage, as a result of a lack of production capacity and the financial resources needed to start clinical trials.

Héma-Québec proposes to overcome this challenge by making its operational, scientific and regulatory expertise available to Québec stakeholders involved in cell and tissue production. This strategy is intended to accelerate the transition from research to the clinical stage and to provide pharmaceuticals to Québec hospitals at a lower cost.

Héma-Québec will make its products available to the entire North American market. The expected benefits include increased Québec investments and the creation of jobs in leading edge sectors.

Creation of a Québec registry of stem cell donors

With more than 8,000 units of cord blood in the bank and close to 40,000 Quebecers listed in the Stem Cell Donor Registry, Héma-Québec was quite ready to satisfy the needs of international transplant centres. Therefore, it progressively ended its partnership with OneMatch, the stem cell donor registry managed by Canadian Blood Services.

As a result, Québec donors registered with OneMatch will be repatriated into Héma-Québec's Stem Cell Donor Registry over the next few months. This registry includes the province's only public cord blood bank. This repatriation will result in significant efficiency gains at the financial and operational levels.

Moreover, Héma-Québec is registered with Bone Marrow Donors Worldwide (BMDW), a group of 69 stem cell donor registries and 49 cord blood banks located throughout the world. BMDW can be accessed on line by the various stakeholders involved in the field of stem cell transplant. It indexes 21 million donors and 575,000 units of cord blood.

Tabling of a bill intended to establish a breast milk bank

In March 2013, the Minister of Health and Social Services tabled Bill 29 modifying the *Act respecting Héma-Québec and the haemovigilance committee*. This bill was the result of a request submitted by Héma-Québec two years earlier. The goal was to make Héma-Québec responsible for the management and operation of a public breast milk bank for premature babies born at 32 weeks or earlier who cannot be breastfed by their mothers. Premature babies born in Québec would therefore be able to benefit from Héma-Québec's expertise with respect to collecting, preparing and distributing products of human origin.

If the bill is adopted, within a few months, Héma-Québec will be able to supply hospitals with breast milk that has been pasteurized and is safe and has an acknowledged nutritional value. In addition to the various health benefits and a reduction in the mortality rate of premature newborns, implementing a breast milk bank should result in annual savings for the health and social services network through the expected reduction of certain conditions affecting premature babies and in the amount spent on purchasing commercial milk for these babies.

The current provisions of the law limit the attribution of new responsibilities to Héma-Québec beyond those pertaining to blood and blood derivatives, bone marrow and human tissues.

Risk Management

OPTIMAL SAFETY AND QUALITY

Héma-Québec applies rigorous standards in order to earn the trust of the public and its clients. The safety and quality of the products distributed and the services provided are primordial. For this reason, it has implemented systematic, structured and transparent risk management based on the best information available.

LABILE BLOOD PRODUCTS

Blood product quarantine

In November 2012, visual inspections detected microfissures on certain collection devices. Since that time, a series of measures have been implemented to reduce the risk of contamination, as low as it is.

All of the red blood cells over 14 days old collected with this type of device were quarantined. Bacterial culture tests were performed on these red blood cells. At the same time, a pressure test was developed to identify potentially defective devices. Finally, additional bacterial culture tests were performed with the authorization of Health Canada before the products were put back into circulation.

Although these exceptional measures temporarily reduced the collective blood reserve below the optimal threshold, Héma-Québec managed to meet the hospitals' daily transfusion needs and it quickly resumed normal operations.

In the end, all of the results of the bacterial culture tests were negative and no instance of a transfusion reaction attributable to this source was reported by the Québec hemovigilance system.

The response of personnel, volunteers and blood donors demonstrated, once again, the strength of the collective commitment to the great cause of giving life.

Review of the vCJD exclusion criteria

When the human form of mad cow disease, called variant Creutzfeldt-Jakob disease (vCJD) first appeared, the transmission potential through transfusion was unknown. The precautionary measures implemented at the outset were, as a result, based on a risk that was difficult to gauge. At that time, Héma-Québec had adopted the strictest qualification criteria in the world.

New scientific data and feedback now indicate that the risk of transmitting vCJD through transfusion is extremely low, with an observed frequency that has been null to date in the North American context. The rare cases documented occurred in the United Kingdom, where the number of cases of bovine spongiform encephalopathy and vCJD was the most concentrated, vastly surpassing that observed in other countries.

Also, the possibility of a second wave had been raised, but it never materialized. Modelling studies have, moreover, confirmed that the risk of this potential second wave is almost null.

Based on this information, Héma-Québec has decided to adjust its criteria to align with those of Health Canada. Thus, as of April 2013, the exclusion criteria will apply to individuals who spent three months or more in the United Kingdom (between 1980 and 1996), rather than one month as is the case at present; and for those who spent five years or more in Western Europe (since 1980), rather than six months as is the case at present. The policies concerning trips to France[1] and Saudi Arabia[2] remain unchanged since they already correspond to Health Canada's criteria.

[1] Any individual who spent a total of three months or more in France between January 1, 1980, and December 31, 1996, inclusive, is excluded from giving blood on a permanent basis.
[2] Any individual who spent a total of six months or more in Saudi Arabia between January 1, 1980, and December 31, 1996, inclusive, is excluded from giving blood on a permanent basis.

This revision will serve to re-integrate a large number of donors. For Western Europe, in particular, it is estimated that 30% to 40% of excluded donors could once again give blood.

Revision of the exclusion criteria for *men who have had sexual relations with other men*

Héma-Québec and Canadian Blood Services simultaneously submitted a request to Health Canada to have the permanent exclusion from giving blood lifted for *men who have or have had a sexual relationship with another man*. The two Canadian blood product suppliers propose to reduce this exclusion to five years.

For several years now, men who want to give blood have been asked the following question: "Have you had sex with another man, even once, since 1977?" The men who answer "yes" are excluded from giving blood on a permanent basis. This same question is asked by all organizations in North America that collect blood. A similar question is asked in the majority of industrialized countries elsewhere in the world.

Yet, as a result of recent scientific data and the progress made with respect to transfusion safety, the exclusion policy applied to men who have or have had sex with another man could be reviewed. The risk analysis on which the request for this modification is based has shown that such a change is scientifically justified and that it does not endanger the very high safety level of blood products.

Why maintain an exclusion?

As is the case of a very large majority of experts in transfusion safety, Héma-Québec focuses on safety, for both donor and recipient, and believes that it is legitimate and necessary to prohibit blood donation on

the part of certain groups that are at risk for infections that are transmitted through blood. Thus, certain individuals may be excluded on a temporary or permanent basis for various reasons.

The frequency of HIV infection remains much higher among men who have had sexual relationships with other men than in the general population. The prevalence of HIV is more than 10% in this group, compared with less than 1% in the case of heterosexual or lesbian donors.

Why a five-year exclusion?

The commission of inquiry on the blood supply in Canada, held following the contaminated blood scandal, recommended that the principle of safety take precedence over all other principles and policies.

A reality inherent in a blood supply system is the possible emergence—at any time—of new pathogens (e.g., virus, bacteria) that can be transmitted by blood. Certain groups—in particular those that represent people who have received transfusions—are concerned about the possibility that men who have had sexual relations with other men are at greater risk for such emerging infections.

Considering this possibility, a five-year exclusion period reassured these groups about our ability to implement measures to counter this risk to the blood supply

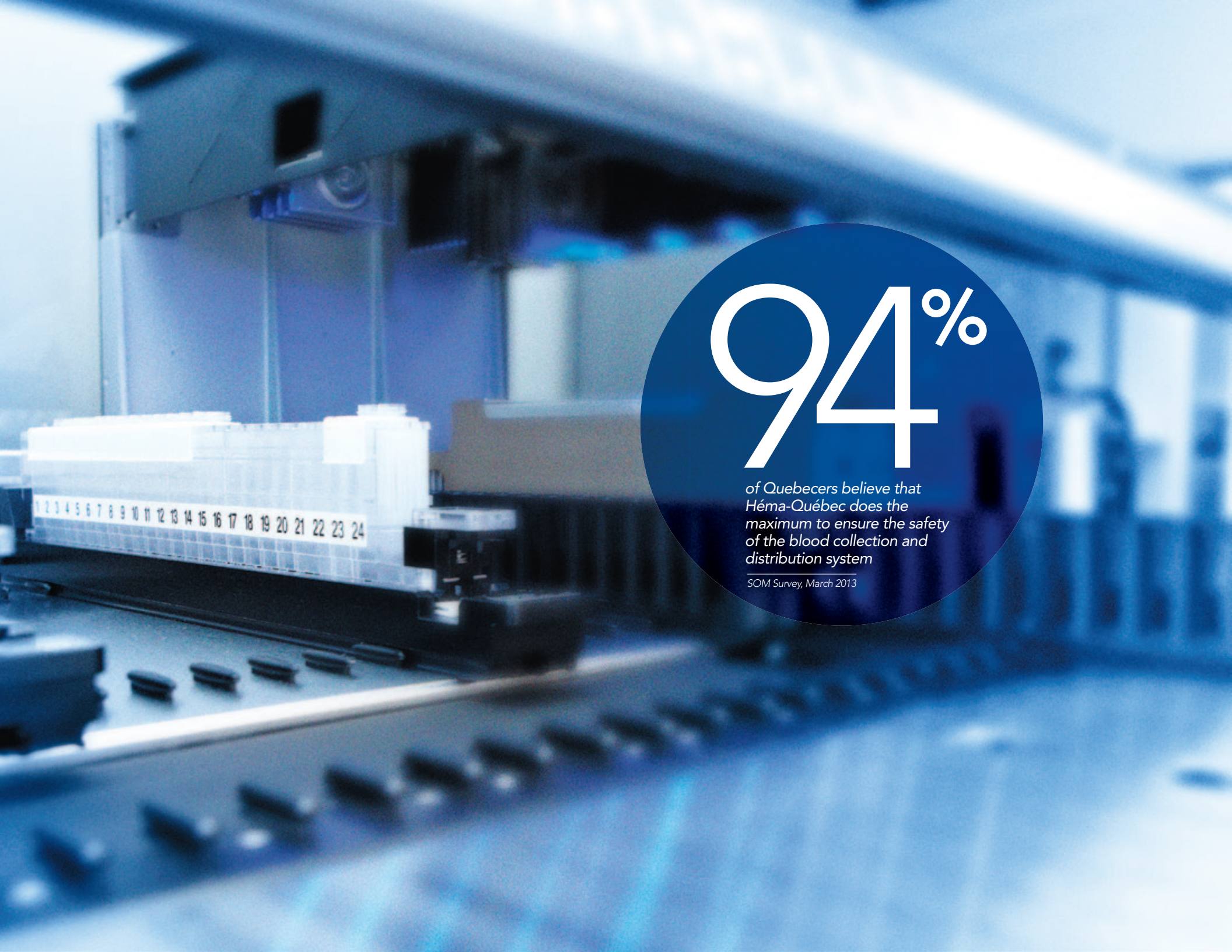
Donations confirmed positive for markers of transmissible diseases

Héma-Québec analyzes all the blood donations it collects in order to detect blood-borne diseases. If a positive result is obtained, the donation is destroyed and the donor is notified. There have been no statistically significant variations in the number of infections detected in donors in recent years.

DONATIONS CONFIRMED POSITIVE ACCORDING TO THE MARKERS

	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013
Human immunodeficiency virus (HIV)	1	2	1	1	1
Hepatitis C virus (HCV)	13	15	18	21	7
Hepatitis B virus (HBV)	12	22	25	27	25
Human T-cell lymphotropic virus (HTLV)	3	5	3	2	7
Syphilis	23	19	11	18	24
Total number of donations	**274,237**	**275,890**	**275,717**	**291,306**	**290,787**

The increase in the HBV results compared with 2008–2009 is partly a result of the increase in vaccination against this infection in the general population. An undeclared recent vaccination causes a false positive result in the screening test.


94%
of Quebecers believe that Héma-Québec does the maximum to ensure the safety of the blood collection and distribution system
SOM Survey, March 2013

RISK OF
HTLV
TRANSMISSION
1 in 5 million
transfusions

RISK OF
HIV
TRANSMISSION
1 in 30 million
transfusions

RISK OF
HBV
TRANSMISSION
1 in 1 million
transfusions

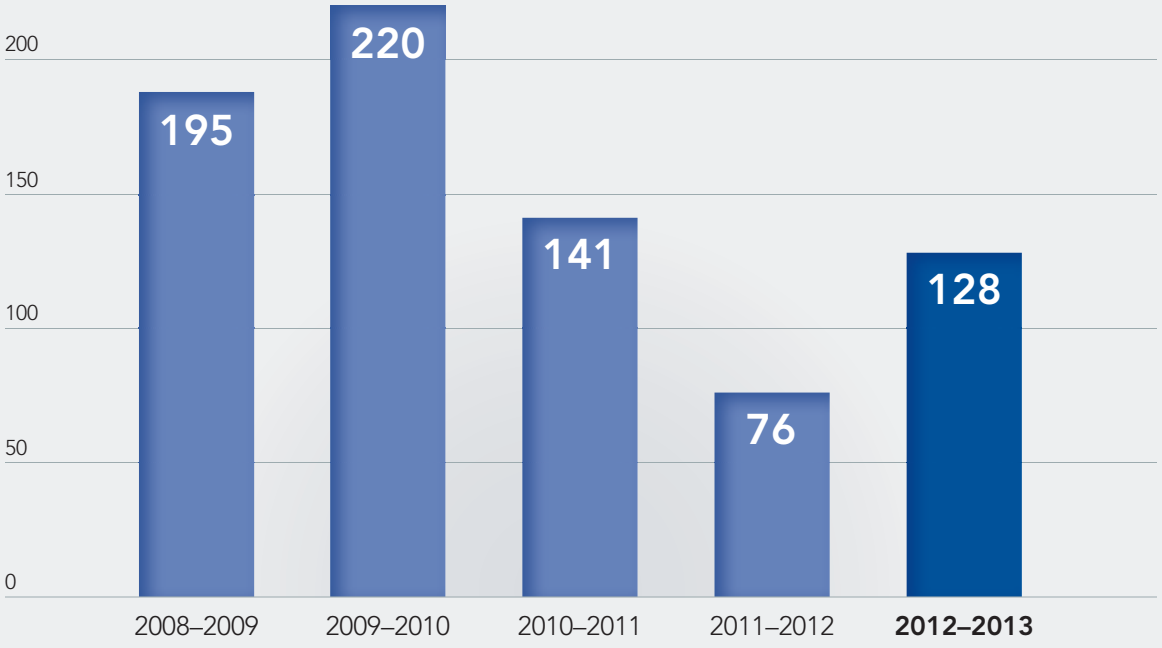
RISK OF
HCV
TRANSMISSION
1 in 36 million
transfusions

RISK OF
SYPHILIS
TRANSMISSION
0 post-transfusion cases
reported in last 40 years

Declarations of errors and accidents

All of the activities pertaining to the collection, processing, analysis and delivery of products are governed by procedures and standards that are rigorously documented. Any unexpected deviation in such procedures, whether as a result of human error or another cause, is recorded and analyzed so as to assess the risk of compromising product safety and effectiveness. These deviations are considered errors and the products concerned are immediately withdrawn from the inventory and destroyed. "Accidents" are situations that can occur at any time during the process despite the fact that procedures are respected.

TOTAL ERRORS AND ACCIDENTS



This year, there were a total of 128 errors and accidents, namely an increase of 52 cases compared with 2011–2012. Most of these errors and accidents (54%) pertained to two selection criteria for apheresis donors: the interval between donations, which was not respected, and the results of dosages of certain proteins, which were not documented on a form.

The first problem was resolved through the implementation of software that manages the various parameters for apheresis donations. For the second problem, a work group was created to find the source of the error and apply the appropriate corrective measure. It was not possible to establish any noteworthy trend for the remaining events (46%), which concerned various sectors, but corrective measures are in progress to resolve them.

Control tests

In keeping with regulatory requirements resulting from the operating license issued by Health Canada, Héma-Québec is required to perform quality control tests on 1% of its monthly production. The results of these tests, provided in detail in the following table, demonstrate that manufacturing processes meet or surpass standards. These tests serve to verify the quality and compliance of our processing methods.

Audits

Process and quality control represent an essential link in the protection against risk. Every year, Health Canada inspects the two Héma-Québec facilities. It also reviews the operations of Héma-Québec's three GLOBULE Blood Donor Centres every second year.

In 2012–2013, Health Canada made three inspections. The three sites inspected were declared satisfactory and all of the facility permits were renewed.

These results demonstrate once again that Héma-Québec observes the strictest safety standards and measures and that safety is a priority for the organization.

LABILE BLOOD PRODUCT QUALITY CONTROL

PRODUCTS	TESTS PERFORMED	NUMBER OF PRODUCTS TESTED	COMPLIANCE PERCENTAGE
Red blood cells*	Residual leucocytes	2,938	99.98% [1]
	Hemoglobin (total red blood cells) ≥ 35 g	2,522	99.97% [1]
	Hemoglobin (total red blood cells) ≥ 40 g		99.51%
	Hemoglobin (apheresis blood cells)	415	100%
	Hematocrit	2,937	100%
	Hemolysis	2,455	98.88% [2]
	Sterility	2,456	100%
Washed red blood cells	Hemoglobin	49	100%
	Hematocrit	49	97.45%
	Hemolysis	49	100%
	Sterility	48	100%
Deglycerolized red blood cells	Hemoglobin	48	100%
	Hematocrit	48	100%
	Hemolysis	48	93.75%
	Sterility	48	100%
Platelet pools	Residual leucocytes	116	100%
	Platelet enumeration	116	93.97%
	pH	445	100%
	Sterility	445	100%
Apheresis platelets	Residual leucocytes	397	99.75% [1]
	Platelet enumeration	6,131	90.45%
	pH	451	99.55%
	Sterility	451	100%
Apheresis granulocytes	Granulocyte count	135	90.67%
	Sterility	135	100%
Fresh plasma frozen by apheresis	Factor VIII	136	99.23%
	Sterility	136	100%
Frozen plasma	Factor VIII	1,802	96.21%
Cryoprecipitates	Fibrinogen	287	99.64%

* Including red blood cells from total blood and those collected through apheresis.
[1] One-time events, no trend demonstrated.
[2] The Canadian Standards Association (CSA) standard pertaining to the hemolysis of red blood cells is in the process of being revised.

STEM CELLS

Revision of the qualification criterion for cord blood

Héma-Québec does everything to ensure that its cell therapy products are of superior quality and satisfy client needs. As a result of the excellent reserve of cord blood units that it has built up, it can now revise its qualification criterion upwards for Caucasian women. From now on, a higher cell concentration will be required for each unit. The objective is to enrich the bank with products with a cell quantity that will boost transplant success even further. The qualification criterion remains unchanged, however, for women of an ethnic origin other than Caucasian in order to promote an increase in ethnic diversity within the cord blood bank.

Control tests

The stem cell quality control tests performed by Héma-Québec serve to evaluate the quality and compliance of the processing methods.

STEM CELL QUALITY CONTROL

PRODUCTS	TEST PERFORMED	NUMBER OF PRODUCTS TESTED	COMPLIANCE PERCENTAGE
Stem cells (post-treatment)	Sterility	1,933	98%*

* The stem cell collection method is more susceptible to bacterial contaminants. Nevertheless, the result observed is fully comparable to the results obtained by other cord blood banks.

NetCord-FACT accreditation

The Héma-Québec cord blood bank is the first Canadian public bank to obtain NetCord-FACT accreditation. In cell therapy, NetCord-FACT accreditation is an essential qualification.

The requirements of this international standard are defined by recognized specialists, in keeping with the latest knowledge concerning cord blood banks, which positions Héma-Québec as a leader in the field.

The Héma-Québec cord blood bank is the first Canadian public bank to obtain NetCord-FACT accreditation.

Audits

The results of the periodic inspections made of Héma-Québec's operating procedures by regulatory agencies reflect the level of Héma-Québec's quality control over its operations.

During the past fiscal year, Héma-Québec's public cord blood bank was inspected by Health Canada. Once again, the cord blood bank was recognized as complying with the *Safety of Human Cells, Tissues and Organs for Transplantation Regulations* following the audit.

Moreover, in June 2012, the Reference and Stem Cell Laboratory obtained a perfect grade during the audit performed by the *American Society for Histocompatibility and Immunogenetics* (ASHI). Its ISO 15189 certification was also renewed by the Bureau de la normalisation du Québec (BNQ) in February 2013.

HUMAN TISSUES

Controle tests

In order to ensure compliance with the safety standards in effect, samples of human tissues collected are submitted to sterility tests. Moreover, the samples collected after processing are used to verify the quality and compliance of tissue processing and disinfecting methods.

QUALITY CONTROL OF HUMAN TISSUES

PRODUCTS	TESTS PERFORMED	NUMBER OF PRODUCTS TESTED	REJECTION (% OF UNACCEPTABLE MICRO-ORGANISMS)
Skin tissues	Pre-processing of microbiological culture	125	3.2%
	Post-processing of microbiological culture	121	1.6%
Musculo-skeletal tissues	Pre-processing of microbiological culture	1,195	3.0%
	Post-processing of microbiological culture	1,199	0.4%
Heart tissues	Pre-processing of microbiological culture	49	18.4%
	Post-processing of microbiological culture	51	11.8%

From one year to the next, a certain variability can be observed in the percentage of unacceptable micro-organisms, but there is no statistically significant trend given the limited number of products collected.

Implementation of the ISBT 128 standard

Héma-Québec is one of the first human tissue banks in the world to introduce the ISBT 128 international standard to identify its grafts.

Management of the grafts has been improved by the use of a scanner to enter the bar codes from the labels, which reduces the number of errors that could be committed during data entry. Moreover, it guarantees greater efficiency in the traceability of the various products. Safety and quality are increased.

Héma-Québec is one of the first human tissue banks in the world to introduce the ISBT 128 international standard to identify its grafts.

Audits

The human tissue quality system pertaining to the production of heart valves was audited in keeping with ISO 13485 and its certification was renewed. The eye banks at the *Centre universitaire d'ophtalmologie à Québec and the Hôpital Maisonneuve-Rosemont in Montréal*—for which Héma-Québec serves as a central facility—were inspected by Health Canada, which declared that Héma-Québec complied with the *Safety of Human Cells, Tissues and Organs for Transplantation Regulations*.


Canada

Principal Activities and Accomplishments

OPERATIONAL EFFICIENCY

Héma-Québec diligently responds to the needs of all hospitals. Since most labile blood products have a limited life, it must constantly adjust its supply strategy in keeping with the needs of hospital blood banks. This situation requires an excellent ability to adapt, optimal understanding of the issues, donor recruitment and retention programs, and adequate management of stock.

LABILE BLOOD PRODUCTS

Efficiency of the *GLOBULE Blood Donor Centres*

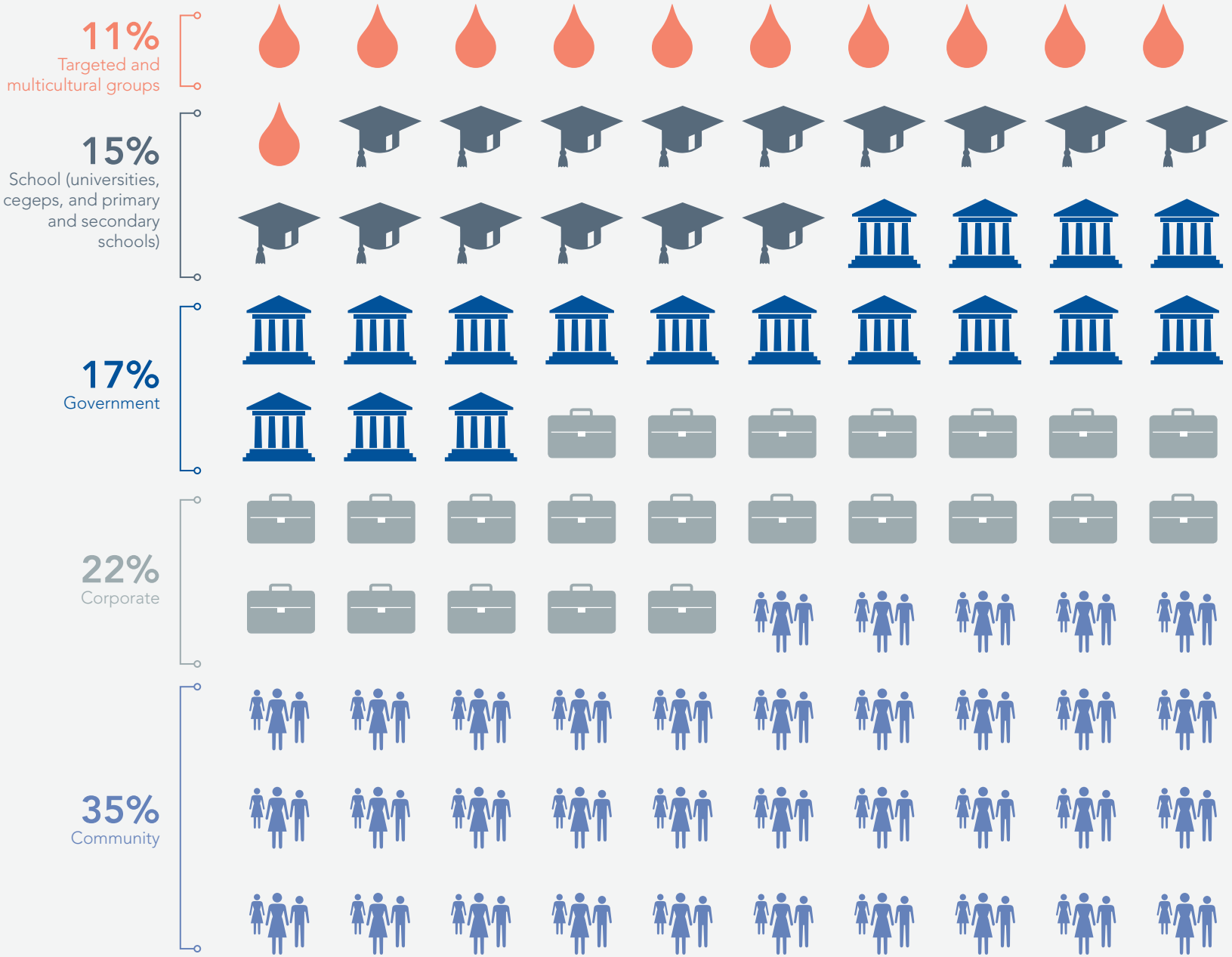
The GLOBULE Blood Donor Centres welcomed an average of 1,500 donors per week and are serious components in Héma-Québec's supply strategy, since they handle all the specialized types of collection, such as apheresis, double donations and multiple products. These enable us to collect products that are targeted in keeping with patients' needs. Our strategies are producing the expected results and this is demonstrated by the annual growth in collections.

DONATIONS IN THE GLOBULE BLOOD DONOR CENTRES

	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013
Whole blood	31,698	34,751	30,473	32,139	32,440
Apheresis platelets	26,656	29,686	32,430	33,659	36,788
Apheresis plasma – 500 ml	9,454	9,736	9,400	9,781	10,004
Apheresis red blood cells	–	**3,411	**8,494	**8,911	**9,120
Plasma collected by apheresis – 250 ml (including MC*)	–	**1,827	**9,836	**10,947	**11,174
Granulocytes	69	164	90	58	138
Total volumes collected	**67,877**	**79,575**	**90,723**	**95,495**	**99,664**

* MC: donations made through multiple collections.
** This type of collection started in 2009–2010.

BREAKDOWN OF BLOOD DRIVES PER SECTOR




HÉMA-QUÉBEC
BÉNÉVOLE

Blood drives in Cegeps and Universities

The Association of Blood Donation Volunteers (ABDV) has been a faithful Héma-Québec partner since it was created. The ABDV represents the volunteers of Québec's 13 administrative regions and its activities, which take place ahead of the blood drives, are intended to make as many people as possible aware of the importance of donating blood.

Through its support, 170 blood drives were organized in cegeps and universities throughout the province this year and 26,415 donors were welcomed. Moreover, the performance rate of campus blood drives was 94.9%, greater than the average for regular mobile blood drives, which was 91.3% this year.

BLOOD DRIVES IN CEGEPS AND UNIVERSITIES

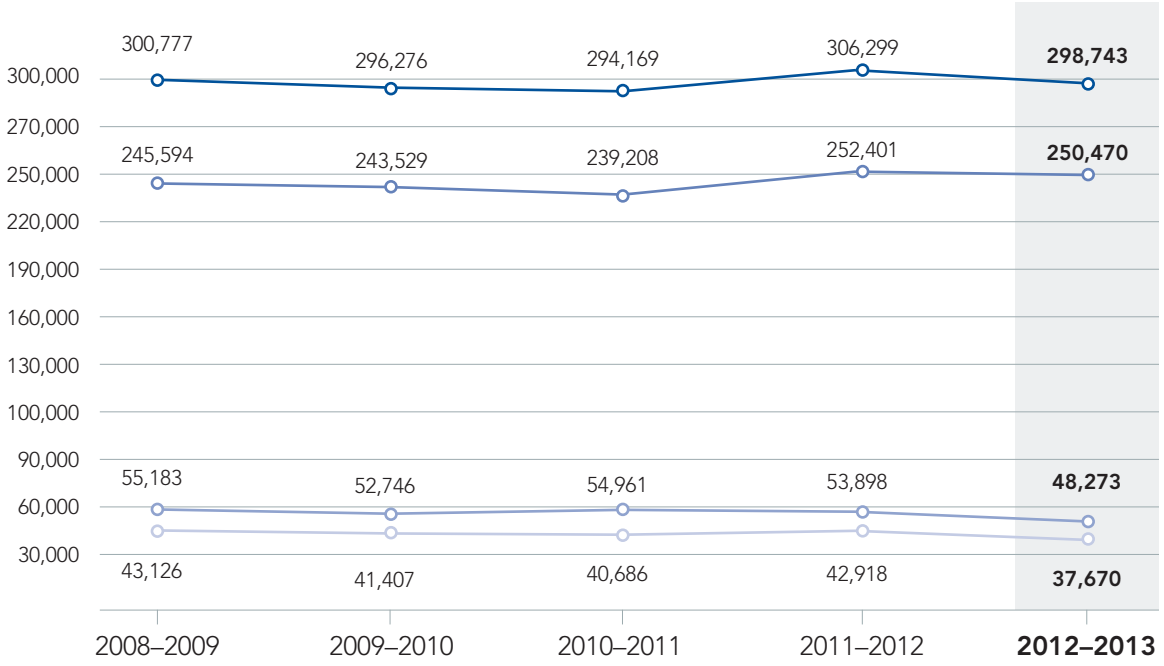
	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013
Blood drives	221	202	215	229	170*
Goals	27,240	26,025	26,810	28,420	27,820
Registered donors	26,694	25,264	25,697	26,779	26,415
Overall achievement of goals	98%	97.1%	95.8%	94.2%	94.9%

* The decrease compared with the previous year can be attributed to the student strike in the spring of 2012, which forced the cancellation of numerous blood drives.

Stability of the demand

The demand for blood products was relatively stable in 2012–2013. The decrease in registered donors is, moreover, partially attributable to the stability of the demand for red blood cells. The reduction in the donor exclusion rate, which dropped from 17.59% in 2011–2012 to 16.6% in 2012–2013 (a decrease in exclusions of 5,525 donors) also contributed to this decrease.

REPORT ON DONATIONS OF WHOLE BLOOD



Registered donors · Donors who donated · Donors who did not donate* · Number of new donors registered

* Excluded donors refer to registered donors from whom no blood was collected, but for whom a prohibition was issued the same day or within the seven days of the registration. This category also include registered donors who were not prohibited but whose donation was non completed due to departure, a vein problem or discomfort.

LABILE BLOOD PRODUCTS DELIVERED TO HOSPITALS

	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013
Total red blood cells	**231,958**	**233,446**	**236,699**	**246,363**	**246,593**
Platelet pools[1]	–	–	3,387	7,609	6,343
Whole blood platelets	33,503	31,770	21,396	0	0
Platelets collected by apheresis	25,153	27,990	30,550	31,762	34,748
Equivalent platelets (pools + apheresis X 5)	125,765	139,950	169,685	196,855	205,455
Total platelets	**159,268[4]**	**171,720[4]**	**191,081[3]**	**196,855[2]**	**205,455[2]**
Plasma from whole blood – 250 ml	53,199	53,040	41,771	32,992	30,914
Plasma collected by apheresis – 250 ml	–	1,397	8,997	10,163	11,368
Plasma collected by apheresis – 500 ml	6,877	7,341	6,047	6,083	6,250
Plasma equivalent (apheresis 500 ml X 2)	13,754	14,682	12,094	12,166	12,500
Total plasma[5]	**66,953**	**69,119**	**62,862**	**55,321**	**54,782**
Granulocytes	**69**	**164**	**90**	**40**	**99**
Cryoprecipitates	**17,426**	**20,508**	**20,913**	**20,744**	**20,657**
Cryoprecipitate supernatents	**9,358**	**6,742**	**4,278**	**6,966**	**8,274**
Grand total	**485,032**	**501,699**	**515,923**	**526,289**	**535,860**

To respond to hospital demand, platelet collections were increased once again this year. Moreover, modifications to hospital medical practices resulted in a significant decrease in the demand for plasma products in 2011–2012. A slight decrease was also observed this year. The delivery of red blood cells remained stable.

[1] Platelets from whole blood collected in a pool (a pool is equivalent to five buffy coats).

[2] For the last two years, "total platelets" has corresponded to the sum of "platelet pools" and "platelets collected by apheresis," multiplied by five.

[3] In 2010–2011, "total platelets" corresponded to the sum of "platelet pools" and "platelets collected by apheresis," multiplied by five, plus "platelets from whole blood."

[4] In 2008–2009 and 2009–2010, "total platelets" corresponded to "platelets collected by apheresis" multiplied by five, plus "platelets from whole blood".

[5] "Total plasma" is the sum of "plasma from whole blood," "plasma collected by apheresis – 250 ml" and "plasma equivalent (apheresis 500 ml X 2)".

97%

of the hospital clients say they are satisfied with the products and services provided by Héma-Québec

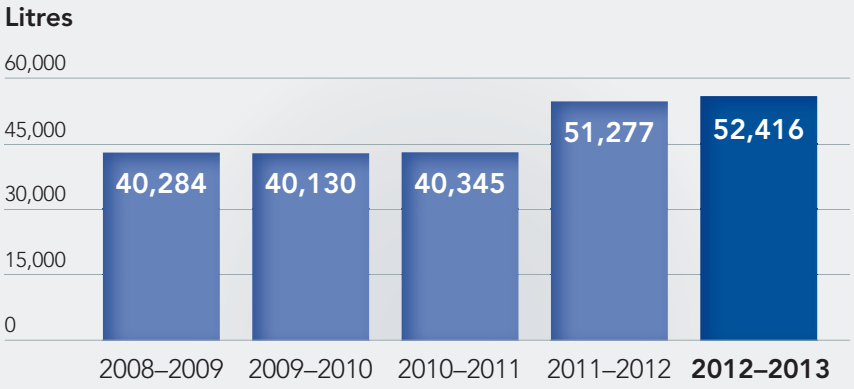
2012 Survey: Hospital Satisfaction

STABLE BLOOD PRODUCTS

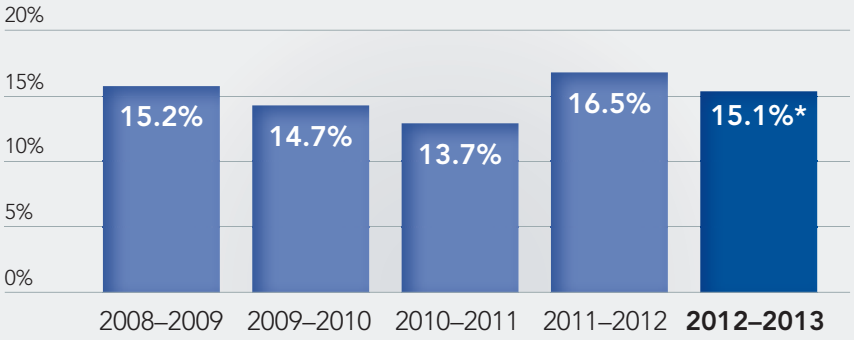
Plasma fractionation serves to isolate and purify certain proteins such as albumin, clotting factors and immunoglobulins. These blood derivatives, also called stable blood products, serve as medication for patients dealing with immune deficiencies and are used to treat many other diseases, particularly neurological diseases.

Héma-Québec distributes approximately 30 stable blood products, including two derived from Québec plasma sent for fractionation. Over the course of the past year, 52,416 litres of Québec plasma were sent for fractionation, compared with 51,277 litres in 2011-2012, for an increase of 2.2%. Despite this additional shipment, the sufficiency rate for immunoglobulins, one of the products made from Québec plasma, was only 15.1%, compared with 16.5% for the previous year, as a result of the increasing demand for this product.

QUANTITY OF PLASMA SENT FOR FRACTIONATION



PERCENTAGE OF IMMUNOGLOBULIN SELF-SUFFICIENCY

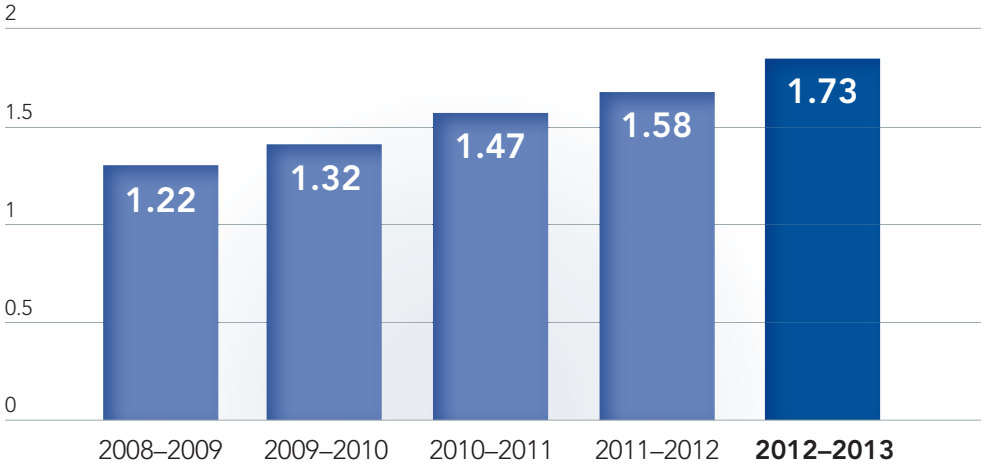


* Estimated percentage as at March 31, 2013.

Deliveries of stable products to hospitals

DISTRIBUTION OF INTRAVENOUS POLYVALENT IMMUNOGLOBULINS (IGIV) AND SUBCUTANEOUS IMMUNOGLOBULINS (IGSC)

Grams (in millions)



DELIVERIES OF RECOMBINANT FACTOR VIII

International units (in millions)

REFERENCE AND STEM CELL LABORATORY

The Reference and Stem Cell Laboratory responds to many requests for phenotyped blood, erythrocyte or platelet immunology case studies, erythrocyte genotyping studies and HLA typings.

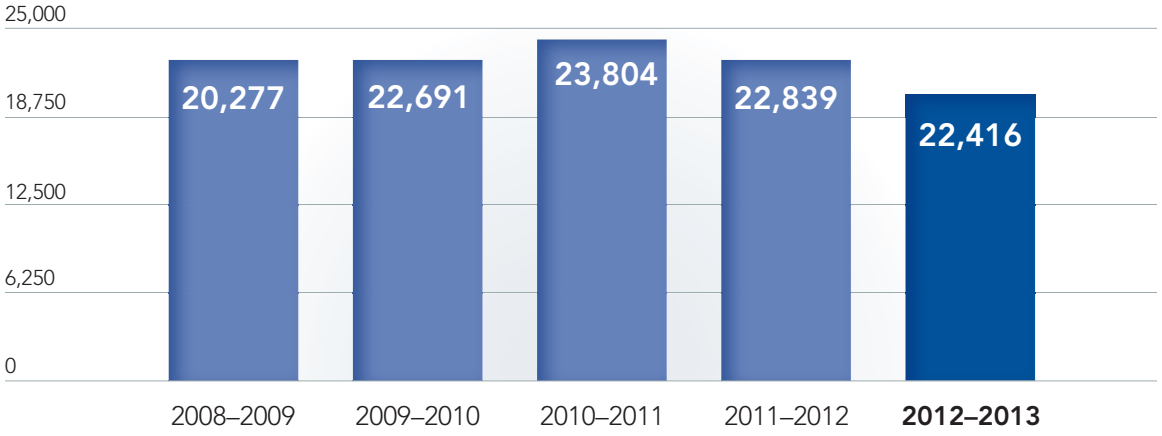
As a result of the impacts of the media campaigns, the registration rate for the Stem Cell Donor Registry increased 23.1%, significantly increasing HLA typings, as indicated in the table entitled *Number of specialized analyses performed.* Much effort has been and will continue to be invested to meet this increased demand in order to finalize the typing of newly registered individuals.

NUMBER OF SPECIALIZED ANALYSES PERFORMED

	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013
Erythrocyte immunology	1,261	1,621	1,435	1,654	1,342
Platelet immunology	344	333	374	394	383
Erythrocyte genotyping	2,103	3,243	3,488	4,574	4,721
HLA A, B, C, DR, DQ typing	4,434	5,224	5,672	5,925	7,292

PHENOTYPING FOR QUÉBEC HOSPITALS

Analyses



Increase in the frozen rare blood reserve

Particular efforts were made to increase the reserve of frozen rare blood so as to better meet hospitals' needs. Some patients have developed antibodies against rare antigens, particularly those with sickle cell anemia and those who must receive transfusions on a regular basis and need blood with genetic characteristics (called genetic variants) like their own in order to avoid developing transfusion reactions.

The discovery of genetic variants in patients means that new compatible donors must be constantly found in order to meet demand. Thus, in 2012–2013, Héma-Québec continued to identify new rare blood donors through the genotyping of blood groups of donors from the various ethnic communities. Over 800 donors were genotyped.

Several additional molecular biology tests also made it possible to find compatible blood for patients with specific, and particularly rare, genetic variants.

Héma-Québec intends to add new genotypes to its bank over the coming years, adding 4,000 new donors next year and gradually increasing the number following that. At present, the bank has 1000 units of rare blood.

STEM CELLS

New partner for collecting cord blood

In order to have a diversified cord blood bank that adequately meets the needs of all Quebecers, Héma-Québec has had to optimize its recruiting strategy and increase donations from groups other than Caucasians.

For this reason, the public cord blood bank signed an agreement with Lakeshore General Hospital in 2012 since a large number of the women who give birth there are of ethnic origin. As at March 31, 2013, the addition of the cord blood collection program at this hospital, combined with awareness-raising efforts for future mothers and obstetrical personnel at partner hospitals, had already served to increase the registration of mothers from cultural communities to 23%, an increase of 9% compared with the same date two years ago. Clearly, Héma-Québec is well on its way to attaining its goal of 25% by 2014.

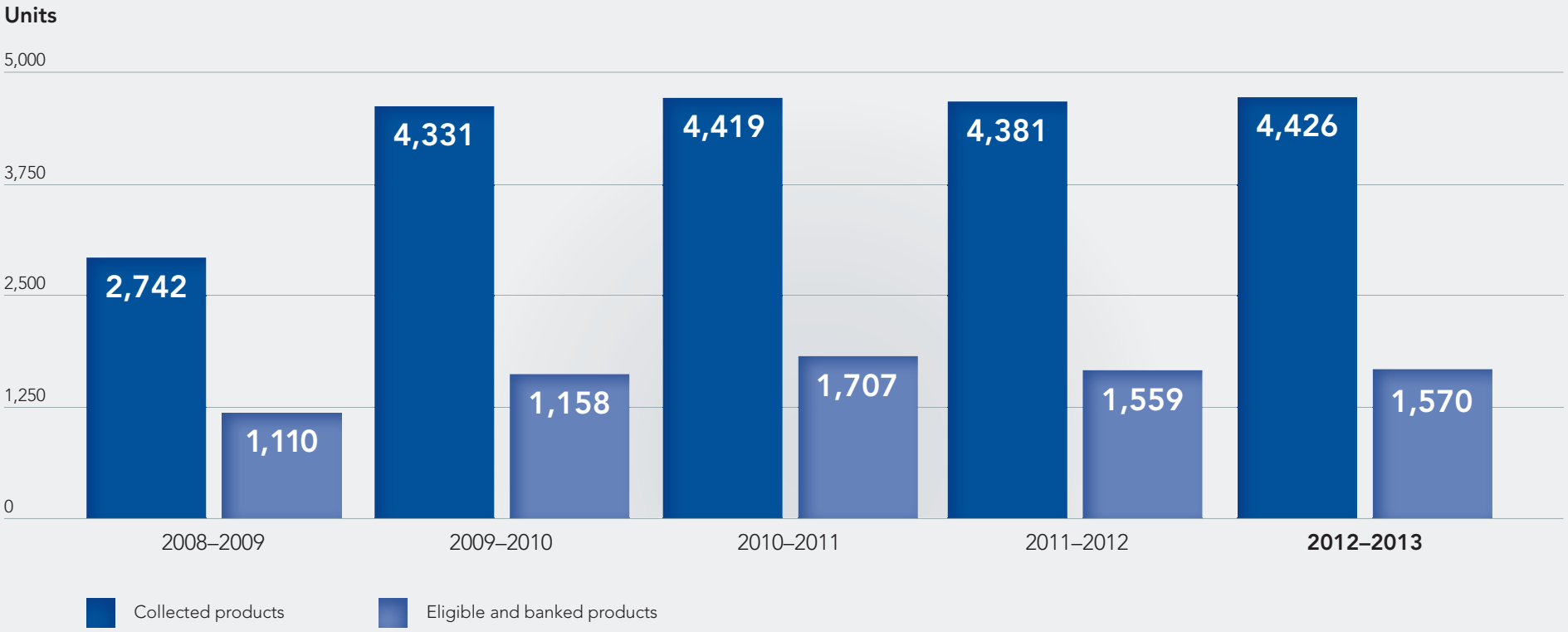
In all, 1,570 new units of cord blood were added to the bank this year. This is a stable volume compared with the previous year. Héma-Québec is fulfilling its mandate perfectly since the goal is no longer to increase volumes, but to have a reserve of cord blood units that reflects the diversity of Québec.

Deliveries of cord blood units

Héma-Québec's public cord blood bank contained 8,066 cords at the end of the year. In all, Héma-Québec delivered cord blood units intended for ten recipients in 2012–2013, compared with eight in 2011-2012.

Héma-Québec has been offering its units of cord blood to the international community since September 2012, and had already received approximately 60 requests for compatible units from abroad by the end of the fiscal year. As at March 31, six cords from its bank had been used for transplants for patients in the United States, Turkey, England, France and Italy. Finally, four cords were delivered in Canada, namely three in Québec and one in Ontario.

ACTIVITIES OF QUÉBEC'S PUBLIC CORD BLOOD BANK




MVE TEC 3000

Bags of cord blood are kept in vats containing liquid nitrogen, at a very low temperature.

HUMAN TISSUES

Decrease in the wait time for cornea transplants

The number of Quebecers waiting for a cornea transplant decreased from 704 in February 2011 to 328 in March 2013. This represents an improvement of 53%. This progress was achieved by means of a new supply process and the sustained efforts of all the partners involved.

Since January 2009, Héma-Québec has been responsible for qualifying donors, collecting eyeballs, implementing the regulatory framework for these activities and providing surgeons with corneas. This mandate is the result of a partnership agreement signed with the *Hôpital Maisonneuve-Rosemont* to manage the *Banque d'yeux de la région de Montréal*. A similar partnership agreement has been signed in the Québec City region with the *Centre hospitalier affilié universitaire de Québec* (CHA) in January 2013.

This new system has served to significantly increase product availability. The distribution of corneas in Québec has grown continuously, totalling 735 in 2012–2013, compared with 686 in 2011-2012 and 599 in 2010-2011. The wait time has also decreased from five years to a few months, even a few weeks.

This improved efficiency has reduced the unit cost of qualified corneas, which has been decreasing steadily since 2012. Gains have been recorded, specifically following the reduction in the number of rejections and the fact that there are a larger number of qualified corneas.

Moreover, over the last year, Héma-Québec has made an effort to find other uses for corneas that cannot be transplanted, making them available to Québec researchers.

The organization does everything needed to make sure that the corneas collected can be used for the benefit of the people of Québec, either through transplants or research and teaching, a sector where there is a great need.

Implementation of pre-cut corneas

Héma-Québec will soon offer a new type of product to ophthalmologists who specialize in cornea transplants: pre-cut corneas. This product, which enables surgeons to reduce operating time, was imported from the United States until very recently. Héma-Québec wishes to be able to more specifically meet the needs of corneologists here, while ensuring a quality inventory that is sufficient for the population of Québec.

Human tissue distribution

Better supply from Québec

Héma-Québec distributed 3,771 human tissues in 2012–2013, 13.7% more than during the previous year. This increase is all the more important since it occurred as part of a 63% reduction in imported tissues (excluding corneas). The imported corneas, primarily pre-cut corneas, represent between 37% and 41% of the corneas distributed these past two years.

The growth in distribution was particularly steady for sclera (+382%), cancellous bone including lyophilized (+63%), tendons (+40.5%) and corneas (+7%). For the remainder, the distribution remained relatively stable, except for a decrease of 6.9% for skin tissues.

DISTRIBUTION OF HUMAN TISSUES

	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013
Valve and vascular allographs	35	58	66	49	47
Skin tissues	948	926	1,632	1,322	1,231
Tendons	125	108	229	207	291
Cancellous bone, including lyophilized	299	299	419	460	749
Compact bones and femoral heads	183	170	219	256	241
Imported human tissues	376	664	544	259	96
Local corneas	–	151*	170	429	429
Imported corneas	–	255*	429	257	306
Sclera	–	–	–	79*	381
Grand Total	**1,966**	**2,631**	**3,708**	**3,318**	**3,771**

* Corresponds to the year during which distribution started.

Human tissue production

Héma-Québec increased its production of human tissues by 20% over the last year. It intends to continue its efforts in order to ensure the sufficiency of the supply of human tissues manufactured in Québec.

PRODUCTION OF HUMAN TISSUES

Units

RESULTS FOR THE YEAR

Results Pertaining to the Strategic Plan

This section of the report covers the results obtained with respect to the objectives set out in Héma-Québec's *2012–2015 Strategic Plan*. The results obtained for 2012–2013 are presented and commented on in keeping with the major objectives of the strategic plan:

- to be a global model of quality
- to be a Québec model of efficiency
- to be a global model of innovation

Financial objectives are added to these. Moreover, three areas of focus were identified and are included in these objectives: culture, processes and resources.

2012–2013 was the first year in the period covered by this new strategic plan. This report does not cover all of the issues and objectives defined in the plan, but only those for which activities were undertaken in 2012–2013 and for which results are available. At the end of three years, all of the plan objectives will have been covered.

Objective 1

TO BE A GLOBAL MODEL OF QUALITY

Area of focus – Processes
Revision of the quality system

Following a rigorous analysis of work methods and a comparative assessment, value-added practices were identified in order to streamline regulatory activities throughout the organization. These new practices will be implemented gradually. They concern, among other things, the quality criteria that govern the re-writing of the standardized manufacturing procedures, documentation, non-compliance resolution and the efficiency of change control processes.

Area of focus – Resources
Adaptation of work methods to the new quality system

Process audits

Héma-Québec's results during annual inspections demonstrate that it successfully applies the highest quality standards. To do this, Héma-Québec conducts approximately 20 internal audits each year. In all, 30 of the organization's departments are examined under a microscope.

This rigorous exercise allows the organization to both identify and implement the best quality parameters and to prepare for the Health Canada inspections. The ultimate goal is to increase the safety and quality of the supplies by ensuring compliance of the organization's activities.

Héma-Québec, which is committed to a continuing improvement process, constantly raises the bar in order to optimize its audit system. As a result, it created process audits in 2011-2012, namely an optimized method for its internal audits that takes into account the complementary aspects of the task under observation, such as the activities of departments upstream and downstream of the task, and considers the process in its entirety, including any repercussions on other departments.

A year later, the results indicate that this new approach better satisfies the organization's needs by improving the efficiency of its processes. As a result, internal partners are more satisfied and regulatory compliance is increased.

Objective 2

TO BE A QUÉBEC MODEL OF EFFICIENCY

Area of focus – Processes
Controlling the production costs of labile blood products

Donation of platelets by apheresis*

Héma-Québec's commitment to provide an affordable, accessible and efficient supply of blood products has resulted, specifically, in an increase in the collection of platelets by apheresis. This process allows a donor to provide, in a single donation, the quantity of platelets required for a transfusion, whereas it generally takes five donations of whole blood to collect the same quantity.

Héma-Québec delivered 41,091 doses of platelets by apheresis, for an increase of 4.4% compared with the previous year. More than 85% of the platelets delivered to hospitals now come from apheresis donations. This increased in efficiency means that Héma-Québec can respond to increasing hospital demand for this product and save considerable sums.

Double donation by thrombapheresis

Along the same lines, Héma-Québec improved its double thrombapheresis collection program. This process is used to collect plasma and platelets from a donor at the same time without having to extend the duration of the donation. The proportion of these collections at GLOBULE Blood Donor Centres increased from 42% in 2011–2012 to 48.5% in 2012–2013.

* The term "apheresis" refers to a blood collection technique. During an apheresis donation, the donor's blood goes into a device that is used to collect only desired blood components and return the others to the donor. In other words, this method is used to collect blood components in a selective manner.

Double red blood cell donations

The number of double donations increased again this year, reaching 9,120, an increase of 67% over the last four years. This success can be attributed to efforts invested in recruiting double red blood cell donors. Moreover, their number grew again this year, to 4,971.

This type of donation allows the donor to make a double red blood cell donation in a single collection. This is particularly useful for increasing the reserves of red blood cells for the rare blood groups, for which the demand is high given their high rate of compatibility. This is the case specifically of Rh-negative blood types, which represent only 15% of the Québec population.

Creation of a plasma donor centre

Héma-Québec has committed to an action plan to increase the quantity of Québec plasma intended for fractionation. One of the elements of this plan calls for the creation of donor centres dedicated solely to the collection of plasma by apheresis.

Plasma is used to manufacture pharmaceuticals for patients with immune systems deficiencies and to treat many other diseases, particularly neurological diseases.

The first centre is scheduled to open in Trois-Rivières in fall 2013. If this pilot project is a success, other centres will be implemented in the province's major cities over the coming years.

This first in Québec will specifically serve to increase the proportion of Québec immunoglobulins distributed and to reduce the costs pertaining to fractionation. At present, the province depends largely on collections made abroad for its fractionation plasma, in a context in which the demand for immunoglobulins is increasing significantly throughout the world.

Montréal's South Shore

Creation of a regional blood drive service

More than one-third of the mobile blood drives organized in the greater Montréal region take place in Montérégie. Therefore, the deployment from the Montréal facility was an operational and financial issue. In 2012–2013, Héma-Québec worked to establish a regional service outlet in Brossard. It will serve as a starting point for blood drive personnel and provide storage for the equipment needed to hold blood drives.

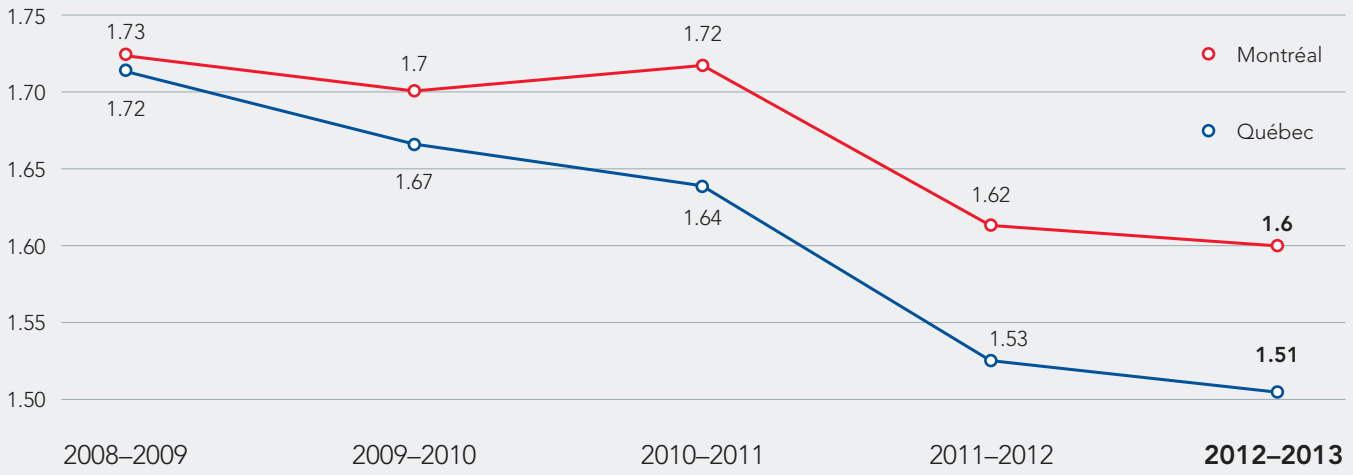
The goal is to reduce the time required to travel to the blood drive sites located in this territory and to improve the quality of the work life of personnel living there. This strategy will also serve to rationalize collection activity, increase efficiency and reduce operating costs.

An agreement has been signed with the four unions concerned with respect to the modifications to be made to the collective agreements. The discussions essentially concerned conditions for granting positions and transitioning them.

A job fair served to fill 175 positions in only 90 minutes and ensured optimal planning of human resource movements before the summer vacation selection period. At the end of the job fair, 97% of the employees' selections had been respected.

At the end of March 2013, Héma-Québec finished the installation of the computer systems for this center, which is scheduled to open in May 2013.

NUMBER OF HOURS WORKED PER PRODUCT COLLECTED IN MOBILE BLOOD DRIVES



The graph above illustrates the number of hours worked per product collected in a mobile blood drive for the three following types of position: nurses, technical blood drive assistants and registration clerks. Over the last five years, the various strategies implemented by Héma-Québec have enabled it to reduce its direct labour costs by 12%.

Implementation of the Kaizen method

Several initiatives were implemented in 2012–2013 to promote continuous improvement. One such initiative is the Kaizen method, also called the added value production and management system. Moreover, Héma-Québec developed an intervention program adapted to its practices and its situation in order to better guide the efforts invested in the application of this method.

At March 31, numerous improvement projects had produced positive results, including the following:

- The time for keeping musculo-skeletal tissues in reserve decreased from 90 to 60 days.
- The time required for processing registration files for the public cord blood bank was reduced by 26%.
- The capacity for absorbing an increase in traffic at the GLOBULE Blood Donor Centres increased by 15%.
- The time required for assembling and dismantling mobile blood drives was reduced by 30%.
- The volume of invoices processed by accounts payable was increased by 25% (despite a 20% reduction in staff) and the average processing time decreased from nine to four days.

These gains all resulted in savings and an improved service offer, in addition to increasing the satisfaction of all those involved.

Area of focus – Culture
Empowerment

Management culture and style

Héma-Québec is promoting the emergence of a culture of excellence and continuous improvement through the adoption of new practices. To do this, it attributes a leading role to its managers so that they can prepare, encourage and facilitate the appropriation of this new culture by the employees.

In order to excel and innovate in a highly regulated environment, it focuses on efficient management and empowerment. It invests in the willingness of its employees so that they can make an optimal contribution and develop an openness to new solutions, in order to promote communication and team work.

In November 2012, Héma-Québec presented some of the successes achieved through the Kaizen method at the *Salon sur les meilleures pratiques d'affaires*. Photo: Carole Faubert, Marco Décelles, Sethea Lim, Robert Labelle, Doris Tremblay, Ginette Lamothe, Colette Séguin-Côté and Gaétane Pelletier.

In recent months, this shift has resulted in the following accomplishments, among others:

- revision of the code of ethics and the personnel management policy;
- redefinition of the skill profile for management personnel;
- re-engineering of the welcome and integration program;
- development of a work attendance management guide;
- development of intranet access for all employees.

The revision of the code of ethics and personnel management policy has set the scene for cultural change by making known Héma-Québec's position on management and expected behaviours on the part of both managers and employees.

Area of focus – Resources
Process automation

Computerized donor files

A computerized system was implemented to manage apheresis donor files in all of the GLOBULE Blood Donor Centres. From now on, certain types of data are documented automatically through the transmission of information from the collection equipment. The integrated software assists personnel with respect to optimizing the choice of procedure, while automating certain calculations and verifications. This has resulted in more efficient management, a decreased risk of errors and improved customer service.

Implementation of a computerized quality management system (SIGQ)

In 2012–2013, Héma-Québec continued with the implementation of the computerized quality management system (SIGQ). The implementation of the audit management module served to centralize the information and make it accessible in real time. The application handles all of the audit programs and manages their life cycle, from the creation of the report to its resolution, which significantly increases follow-up efficiency. A management module for regulatory training was also implemented. It automates the training process. Among other things, it monitors the progress made by employees during their training and establishes correspondences between the specific requirements of the positions and the employees most qualified to fill them. This tool has increased the efficiency of training processes by more than 6%.

Computerization of human tissue operations

Since March 2013, all of the human tissue and eye bank operations for Montréal and Québec City have been managed by computer. The implementation of the final application of the medical affairs laboratories information system resulted in a revision of certain ways of doing things between the eye banks and Héma-Québec and improved processes.

At the same time, the quality control laboratory was also computerized. Thus, the entry and transfer of the results of microbiological cultures performed on tissues have been automated, increasing the efficiency of product qualification.

Area of focus – Resources
Organizational restructuring

Considerable effort was invested in reducing senior management and streamlining decision-making processes. We sought to improve our operating model through the consolidation of certain activities in order to better prepare ourselves for change.

This work, which followed an in-depth reflection, resulted in the merger of the Blood Products Operations department with the Stem Cells, Human Tissues and Reference Laboratory Operations department, creating the Operations department. The Public Affairs and Marketing department also merged with the Legal Affairs department to create the Corporate Affairs department. Overall, the number of departments was reduced from ten to eight.

This re-structuring served to re-focus the departments' mandates and responsibilities in keeping with the *2012–2015 Strategic Plan* and to increase organizational efficiency.

Objective 3

TO BE A GLOBAL MODEL OF INNOVATION

Area of focus – Processes
Realignment of research and development activities

In 2012–2013, Héma-Québec realigned its research and development activities to reflect its new strategic orientations. In doing so, it gave itself the means to become a global model of innovation. Significant human and financial resources have been redirected to the standardized production of cell and tissue products.

As part of this realignment, the organization undertook a major re-engineering of the research and development premises, procured leading-edge equipment and hired top-notch scientists who will adopt the new orientations.

These changes will enable us to offer new generations of our existing products in addition to new products in order to ensure the sustainability of the organization and keep up with developments in health care. The organization's research and development component, which had concentrated on fundamental research up to this point in time, will take a new direction and enter into production for applied research.

Innovation in research and development

Héma-Québec was innovative in many respects in 2012–2013, in particular, with the creation of a protective box for frozen blood products. This invention should result in a reduction of product losses caused by the breakage of bags during shipping and storage at the facilities of its hospital clients.

Moreover, as part of a joint research project with Université Laval, a post-doctoral Héma-Québec trainee worked on developing a bio-sensor based on a nanotechnology approach. This development could considerably reduce the time required for molecular analyses.

Finally, Héma-Québec developed even more efficient tests for detecting immunoglobulin A (IgA) deficiency in blood donors, by making the transition from a manual detection method to a semi-automatic method. This development has enabled it to optimize its supply for these patients. Most of them have no symptoms, but are at risk for developing a reaction during a blood transfusion if they do not receive blood with the same characteristics as theirs, namely with an IgA deficiency. The new test served to identify three times more donors with an IgA deficiency during the last four months of the fiscal year compared with the same period last year.

Objective 4

FINANCIAL OBJECTIVES

Area of focus – Processes
Stabilization of fees after adjustment for inflation

Héma-Québec manages public funds responsibly and efficiently. Its funding is ensured essentially by the revenue generated from the sale of its products. In 2012–2013, it gave the hospitals an invoicing credit for the $3 million surplus generated during the previous year.

It also managed to freeze its rates despite:

- inflation;
- an increase in shipments of certain products;
- additional pension plans costs resulting from poor market performance;
- the costs of the red blood cell quarantine.

The agreements signed for the purchase of stable products also generated savings of close to $2 million during the current year.

Area of focus – Resources
Investment budget and research and development budget

In 2012–2013, the organization increased its investments in innovation by $2.3 million. Most of these investments are concentrated on capital assets for the creation of a new operating site in Brossard as well as a new plasma collection site in Trois-Rivières, among others.

Significant sums were also spent on automating blood collection and processing activities, including upgrading computer applications and the future implementation of a self-administered donor qualification questionnaire, which will reduce wait time for donors and improve operating efficiency, in addition to increasing safety.

The resource management information systems (SIGR) were also optimized in order to upgrade business processes and support new installations. An integrated quality management system was also implemented (see text on page 62).

Héma-Québec expects the increases in efficiency generated through these investments to compensate for the investment costs. The 2013–2014 budget, presented in the fall of 2012, along with the projects launched through the year, were prepared with this in mind.

ADMINISTRATION

STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

Highlights

Bill 29 modifying the *Act respecting Héma-Québec and the haemovigilance committee* was tabled on March 27, 2013. This bill, the result of lengthy representations to government authorities, will extend Héma-Québec's mandate to include breast milk, stem cells and any other human biological product, as determined by the government. These new responsibilities will enable Héma-Québec to increase its service offer. They will also allow for a speedier response when a need for a human biological product arises. It will therefore be possible to keep pace with scientific developments more efficiently, without the need for legislative modifications.

The bill also takes into account requests from the Board of Directors to streamline its operations. The Board will keep representatives from the product manufacturing chain, from donor to recipient, but will enjoy greater flexibility with respect to adding directors whose expertise is necessary in keeping with current governance rules: accounting, human resources, information resources, etc. In this way, the members, who will continue to be appointed by the government, will come from more varied backgrounds.

Lastly, in keeping with the bill, Héma-Québec will be able to agree with the Minister of Health and Social Services to keep its surpluses in order to invest them, for example, in innovative projects.

The Board's mandate

The Board initiates and adopts the strategic plan, in addition to revising and approving the budget and financial statements. It also oversees the implementation of effective control and risk management systems. The Board is supported by a Governance Committee, an Audit Committee, a Compensation and Human Resources Committee and an Information Resources Committee. Moreover, it receives recommendations from four advisory committees:

- the Safety Advisory Committee,
- the Scientific and Medical Advisory Committee,
- the Recipient Representatives Advisory Committee, and
- the Cell and Tissue Production Advisory Committee.

This last committee was created during the course of the year to advise the organization on the clinical relevance of cell therapy projects under consideration and to ensure their follow-up through all of the stages in which Héma-Québec will be involved.

Strategic planning

As scheduled, the action plans resulting from the *2012–2015 Strategic Plan* approved by the Board last year were presented at the beginning of the 2012-2013 financial year. The resulting major projects have been started. They are described in detail further on.

Structure

The past year was marked by the sudden death of the Chairman of the Board, Jean-Pierre Allaire. Mr. Allaire had chaired the Board since August 2008. He will have left an important heritage

BOARD OF DIRECTORS AS AT MARCH 31, 2013

RECIPIENTS

Chair

Martine Carré
First Vice-President of the Board of Trustees, Leucan, and corporate director

PUBLIC HEALTH

Vice-Chair

Michèle Beaupré Bériau
Secretary General
Institut national de santé publique du Québec

HÉMA-QUÉBEC

Secretary

Dr. Jean De Serres
President and Chief Executive Officer
Héma-Québec

BUSINESS COMMUNITY

Christine Beaubien
Vice-President, Investment Management
Réseau Anges Québec

ASSOCIATION QUÉBÉCOISE D'ÉTABLISSEMENTS DE SANTÉ ET DE SERVICES SOCIAUX (AQESSS)

René Carignan, CPA, CA
Associate Executive Director of Finance, Administrative and Clinical Support
McGill University Health Centre

to the Héma-Québec Board of Directors. More specifically, he undertook the hiring of the current President and CEO, Dr. Jean De Serres. He contributed to the development and then supervised the deployment of two strategic plans in 2007 and 2012. With respect to governance, he undertook the revision of the Audit Committee's mandate. Under his chairmanship, three new committees were created: the Compensation and Human Resources Committee, the Governance and Ethics Committee and the Information Resources Committee. Mr. Allaire also shared his knowledge in matters of governance by leading training sessions for the directors. Héma-Québec and the directors acknowledge his significant contribution.

Martine Carré was elected Chair of the Board of Directors at the beginning of 2013. She has served on the Board as a director since 2007 and comes from the product recipient group.

Michèle Beaupré Bériau was elected Vice-Chair of the Board of Directors in March. As a director since 2012, she comes from the public health sector. Ms. Beaupré Bériau is the secretary-general of the *Institut national de santé publique du Québec.*

Also in March, two directors were appointed to the Board for three-year mandates: Christine Beaubien, from the business community, and Lucie Letendre, from the *Association québécoise d'établissements de santé et de services sociaux* (AQESSS). Ms. Beaubien is a corporate director, President of Groupe BSC, and Vice-President, Investement Management, for the Anges Québec network. Ms. Letendre, a member of the *Ordre des comptables généraux licenciés du Québec*, is the General Manager of the *Centre de santé et de services sociaux de Trois-Rivières.*

BOARD OF DIRECTORS AS AT MARCH 31, 2013 (CONT'D)

Lucie Letendre, CPA, CGA
General Manager
Centre de santé et de services sociaux de Trois-Rivières

TRANSFUSION MEDICINE

Dr. Annie Lagacé
Anesthesiologist
Hôpital du Sacré-Cœur de Montréal

Dr. Martin A. Champagne
Oncohematologist
Centre hospitalier de Verdun

DONORS

Hélène Darby
Member
Eastern townships chapter
Association of Blood Donation Volunteers

ACADEMIA

Dr. Serge Montplaisir
Professor
Department of Microbiology and Immunology
Université de Montréal

Dr. Patricia Pelletier
Assistant Professor
Department of Medicine
McGill University

HAEMOVIGILANCE COMMITTEE OBSERVER

Wilson Sanon
Chair
Association d'anémie falciforme du Québec

Finally, the mandate of Dr. Serge Montplaisir was renewed for three years. Dr. Montplaisir is from the academic community (biotechnology sector) and has been a member of the Board since 2003. He is a Professor with the Department of Microbiology and Immunology at Université de Montréal.

Financial results, internal control and management system

The Board reviews the financial results and management statistics at every meeting. The Audit Committee oversees the implementation of internal control mechanisms.

Risk management and safety

In the wake of the *2012–2015 Strategic Plan* and the updating of the committee mandates, the risk management policy was also revised at the beginning of the year. The new policy is more seamlessly integrated with the strategic objectives. It defines the roles and responsibilities of the Board, its committees and management and, finally, lists the guiding principles of risk management.

With respect to its role of overseeing risk management, the Board is supported by the Audit Committee for financial and operating risks and by the Safety Advisory Committee for risks concerning product safety. It regularly receives reports from these two committees. Since the beginning of the year, the Compensation and Human Resources Committee and the Information Resources Committee have also been monitoring the risks associated with their fields of expertise.

Governance

Although it is not subject to the *Act respecting the governance of state-owned enterprises*, Héma-Québec complies with its main principles, as directed by the Board of Directors. The Governance and Ethics Committee has a mandate to support the Board of Directors in this respect. Moreover, the directors must comply with a code of ethics (for more details on this see *Governance framework and director code of ethics* on page 92).

BOARD COMMITTEES

Committees of the Board are comprised by the latter and their members are directors, with the exception of the Committee of informational resources for which the Board is joined by outside experts.

Executive Committee

If necessary, the committee meets between the regular Board meetings to make decisions for which it is responsible. The committee met twice this year and its decisions were approved by the Board.

Governance and Ethics Committee

The Governance Committee makes recommendations to the Board regarding principles of governance and codes of ethics for directors and employees. It ensures that directors are properly trained and evaluated. It monitors the attendance of directors at Board and committee meetings and recommends appointments to the various Board committees.

The committee, which changed its name to include the ethics component, reviewed the employee code of ethics and also instituted an ethics annual report on behalf of management.

EXECUTIVE COMMITTEE AS AT MARCH 31, 2013

MEMBERS

Martine Carré
Chair of the Board of Directors

Michèle Beaupré Bériau
Vice-Chair of the Board of Directors

Dr. Jean De Serres
Secretary of the Board of Directors

Dr. Patricia Pelletier
Director

Hélène Darby
Director

GOVERNANCE AND ETHICS COMMITTEE AS AT MARCH 31, 2013

MEMBERS

Chair
Hélène Darby

Martine Carré

Michèle Beaupré Bériau

With respect to the advisory committees, the committee developed the mandate for the new Cell and Tissue Production Advisory Committee and studied the Recipient Representatives Advisory Committee's operations.

Moreover, the committee monitored the steps involved in the process for proposing modifications to the *Act respecting Héma-Québec and the haemovigilance committee.*

The committee reviewed the structure of the current annual report.

The committee also made sure that all of the committees follow the same governance practices, namely: an annual review of the mandate and calendar of activities, including the development of objectives and feedback exercises.

Finally, the committee worked on director renewals and replacements as well as on succession plans for the Board and committee chairs.

Audit Committee

The Audit Committee oversees the organization's financial management, internal controls and risk management. Each year, it examines the budget and product pricing and recommends approval to the Board of Directors. It also supervises the external and internal audits and the production of the financial statements. Its duties specifically include verifying compliance with existing legislation, receiving reports of any financial irregularities, and evaluating the various contingency plans put in place by the organization.

The committee revised the risk management policy and recommended its approval to the Board of Directors. Strategic risks were thus included in the report presented to the Board.

AUDIT COMMITTEE AS AT MARCH 31, 2013

MEMBERS

Chair

René Carignan, CPA, CA

Dr. Serge Montplaisir

Christine Beaubien

Moreover, the committee continued to monitor the performance benchmarks developed in response to the strategic plan and, in particular, supervised production costs.

Finally, the committee supervised major projects in progress, namely the implementation of the new computer system for the operations sector and the implementation of computer systems for the quality and standards sectors as well as for human tissues.

Compensation and Human Resources Committee

The committee examines the strategies and directions of human resources. It recommends evaluation criteria for the President and CEO, evaluates the CEO annually and makes recommendations to the Board regarding the position, as well as the CEO's compensation. It also evaluates the succession plan for vice-presidents, as well as their performance and compensation.

This year, the committee monitored the re-engineering of the operations department closely with the appointment of the new vice-president and operations manager, Marco Décelles, following the announcement of Yvan Charbonneau's retirement in December 2012.

The committee also observed the initiatives undertaken by management to institute the cultural change announced in the strategic plan. For this purpose, the committee reviews the programs and policies and monitors performance indicators, such as the absenteeism rate and the turnover rate.

As is the case every year, the committee examined pension fund yields, the performance of their portfolio managers and the actuarial assessments.

COMPENSATION AND HUMAN RESOURCES COMMITTEE AS AT MARCH 31, 2013

MEMBERS

Chair

Martine Carré

Christine Beaubien

Dr. Serge Montplaisir

Information Resources Committee

The Information Resources Committee (IRC), created by the Board of Directors in 2011, has a mandate to ensure the good governance of all information resources. More specifically, it makes sure that the information held by Héma-Québec is protected, available and intact; that the technological solutions satisfy operating needs; and that the management of the sums intended for information resources is transparent and rigorous.

During the course of the year, the external members were able to become familiar with the Héma-Québec environment. They monitored the major information technology projects. The committee also made an in-depth study of the 2013–2016 three-year plan of information resources projects and activities (PTPARI) and made recommendations to the Board of Directors in keeping with the *Act respecting the governance and management of the information resources of public bodies and government enterprises*. Finally, the members proposed the development of information technology performance indicators.

Advisory committees

The Board's advisory committees are made up of members who are independent from Héma-Québec. They are the Recipient Representatives Advisory Committee, the Safety Advisory Committee, the Scientific and Medical Advisory Committee, the Cell and Tissue Production Advisory Committee, and the Research Ethics Committee.

INFORMATION RESOURCES COMMITTEE AS AT MARCH 31, 2013

MEMBERS (DIRECTORS)

Chair
Christine Beaubien

Martine Carré

René Carignan

EXTERNAL MEMBERS

Michèle Bureau
Consultant, Information Technologies and Electronic Affairs
Bureau et Associés Inc.

Robert Charbonneau
Advisor, Information Technologies

Pierre Montminy
Director IT Consulting
Fujitsu Canada Inc.

Recipient Representatives Advisory Committee

The mandate of the Recipient Representatives Advisory Committee is to develop effective communication between Héma-Québec and the various groups that represent product recipients and to ensure that their specific interests are brought to the Board's attention. It also advises Héma-Québec with respect to communication with other stakeholders in the system concerning any change in the supply system that could affect product recipients. Finally, it advises the Board of Directors and management with respect to risk management of aspects concerning recipients.

During the meetings held over the course of the year, a significant proportion of the discussions concerned the directions, role and structure of the committee. Members had an opportunity to discuss their mutual expectations in this respect with representatives of management and the Board of Directors. Committee members were also invited to present their respective associations.

In terms of risk management the Recipient Representatives Advisory Committee was consulted with respect to the measures taken to mitigate the risk of transmitting the variant Creutzfeldt-Jakob disease (vCJD) through transfusion. Moreover, the committee was informed about developments concerning steps taken by Héma-Québec regarding the revision by regulatory authorities of the criterion concerning men who have or who have had sexual relations with another man and the criteria for excluding donors who have lived in certain African countries (HIV-O).

Finally, presentations were made with respect to various matters of interest, including the *2012–2015 Strategic Plan* and the new risk management policy.

RECIPIENT REPRESENTATIVES ADVISORY COMMITTEE AS AT MARCH 31, 2013

MEMBERS

Chair
Michel Morin
COCQ-Sida

Martine Allard
Canadian Immunodeficiencies Patient Organization, Québec branch

Jacques Dagnault
Canadian Immunodeficiencies Patient Organization, Québec branch

Marius Foltea
Canadian Hemophilia Society, Québec branch

Pascal Mireault
Canadian Hemophilia Society, Québec branch

Gaston Martin
Canadian Transplant Association

Marika Mouscardy
Association d'anémie falciforme du Québec

Wilson Sanon
Association d'anémie falciforme du Québec

Pierre Verret
Leucan

Hélène Darby
Board Observer

Martine Carré
Board Observer

Safety Advisory Committee

The mandate of the Safety Advisory Committee is to provide the Board and management with opinions on product safety and donor health and to assist the Board in assessing associated risks. Finally, this committee monitors all existing and emerging pathogens.

The committee revised its mandate so as to include risks that could affect donors and the risk management policy. Moreover, it recommended to the Board of Directors that it align its selection criteria concerning vCJD with those issued by Health Canada. Indeed, as a precaution, Héma-Québec had issued security measures that were stricter than those issued by Health Canada.

Scientific and Medical Advisory Committee

The Scientific and Medical Advisory Committee (SMAC) assesses the scientific relevance and progress of projects in all research and development programs, with the exception of cell and tissue production projects. It presents opinions on these matters to the Board of Directors.

Essentially, the work of the Scientific and Medical Advisory Committee involves the annual review of research and development (R&D) projects. The members stated that they agree with the objectives and the benchmarks proposed. They wanted to highlight the progress made over the past year and the commitment of the scientists in a re-structuring context. An updated R&D strategic plan was submitted to them. Moreover, the committee was informed about modifications to the *Intellectual property policy.*

SAFETY ADVISORY COMMITTEE AS AT MARCH 31, 2013

PUBLIC HEALTH

Chair

Dr. Bryce Larke
Virologist
Virology, ProvLab,
Edmonton, Canada

INFECTIOUS DISEASES

Dr. Susan Stramer
Scientific Medical Director
National Confirmatory Testing Laboratory
American Red Cross
Gaithersburg, United States

EPIDEMIOLOGY

Dr. Steven Kleinman
Biomedical Consultant
Victoria, Canada

TRANSFUSION MEDICINE AND PRACTICES

Dr. Luiz Amorim
Medical Director
Hemobras,
Brasilia, Brazil

Dr. Georges Andreu
Official Representative of the Director General
Institut National de la Transfusion Sanguine
Paris, France

Dr. James P. Aubuchon
President and Chief Executive Officer
Puget Sound Blood Center
Seattle, United States

Cell and Tissue Production Advisory Committee

In August 2012, the Board of Directors created the Cell and Tissue Production Advisory committee (CTPAC). This committee includes external members who are experts in the field, all appointed by the Board. Its mandate is to advise the Board of Directors with respect to the clinical relevance of cell and tissue therapy projects submitted by Héma-Québec. The committee also monitors these projects.

During the year, the committee held a meeting during which a major cell and tissue production project was presented by management. Different project proposals were also presented. For all of these projects, the members issued a positive opinion and felt that Héma-Québec is in a good position to support its partners and contribute to the completion of the projects.

Research Ethics Committee

The mandate of the Research Ethics Committee (REC) is to assess the compliance of research projects with ethical regulations, monitor ethics and ensure the protection of the rights, safety and well-being of all research subjects.

This year, the committee approved 10 new projects and renewed 32 others. No particular incident was brought to its attention. Lastly, members highlighted the quality of the documentation submitted to them, specifically the consent forms, which respect the legal and ethical rules in the field.

Moreover, Héma-Québec submitted a request to the Ministère de la Santé et des Services sociaux to have its Research Ethics Committee recognized as a designated ethics committee. This designation would enable the committee to approve research projects specifically concerning cord blood.

SAFETY ADVISORY COMMITTEE AS AT MARCH 31, 2013 (CONT'D)

Dr. Louis M. Katz
Executive Vice-President
Medical Affairs
America's Blood Centers
Washington, United States

Dr. Henk W. Reesink
Associate Professor
Department of hepatology
Academic Medical Center
Amsterdam, Netherlands

TISSUES

Dr. Douglas Michael Strong
Research Professor,
Department of Orthopedics and Sports Medicine and Department of Surgery
University of Washington
School of Medicine
Seattle, United States

CANADIAN BLOOD SERVICES

Dr. Margaret Fearon
Executive Director
Medical Microbiology
Canadian Blood Services
Toronto, Canada

PUBLIC REPRESENTATIVE

David Page
General Manager
Canadian Hemophilia Society
Montréal, Canada

SAFETY ADVISORY COMMITTEE AS AT MARCH 31, 2013 (CONT'D)

REPRESENTATIVE OF THE RECIPIENT REPRESENTATIVES ADVISORY COMMITTEE

Marius Foltea
Canadian Hemophilia society,
Québec branch
Montréal, Canada

BOARD OBSERVER

Dr. Patricia Pelletier
Assistant Professor
Department of Medicine
McGill University
Montréal, Canada

SCIENTIFIC AND MEDICAL ADVISORY COMMITTEE AS AT MARCH 31, 2013

IMMUNOLOGY

Chair

Yves St-Pierre
Professor
INRS – *Institut Armand-Frappier*
Laval, Canada

Srinivas V. Kaveri
Director
Centre de Recherche des Cordeliers
Team 16 – INSERM – U 872
Paris, France

SCIENTIFIC AND MEDICAL ADVISORY COMMITTEE AS AT MARCH 31, 2013 (CONT'D)

DIAGNOSTIC TECHNOLOGIES

Michel Houde
Senior Consultant,
Certification of Medical Instruments and Business Support
BCF Certification Inc.
Montréal, Canada

TRANSFUSION MEDICINE

Dr. Jean-François Hardy
Chairholder
ABDV – Héma-Québec – Bayer chair in Transfusion Medicine
Université de Montréal

Professor
Anesthesiology
Université de Montréal
Montréal, Canada

Dr. Vincent Laroche
Director, Blood Bank
Hemato-oncology department
Institut universitaire de cardiologie et pneumologie de Québec and *Centre hospitalier affilié universitaire*

BIOTECHNOLOGY

Bernard Massie
Director
Bioprocess Centre
National Research Council of Canada (Biotechnology Research Institute)
Montréal, Canada

SCIENTIFIC AND MEDICAL ADVISORY COMMITTEE AS AT MARCH 31, 2013 (CONT'D)

INDUSTRIAL RESEARCH

Denis Riendeau
Consultant in pre-clinical research
Montréal, Canada

HEMATOPOIESIS

Julie Audet
Assistant Professor
Institute of Biomaterials and Biomedical Engineering
University of Toronto
Toronto, Canada

CANADIAN BLOOD SERVICES

William P. Sheffield
Associate Director,
Research Scientist
R&D
Canadian Blood Services
Toronto, Canada

Professor
Pathology and Molecular Medicine
McMaster University
Hamilton, Canada

REPRESENTATIVE OF THE RECIPIENT REPRESENTATIVES ADVISORY COMMITTEE

Marius Foltea
Canadian Hemophilia Society,
Québec branch
Montréal, Canada

SCIENTIFIC AND MEDICAL ADVISORY COMMITTEE AS AT MARCH 31, 2013 (CONT'D)

OBSERVER FROM HÉMA-QUÉBEC'S BOARD OF DIRECTORS

Dr. Serge Montplaisir
Professor
Department of Microbiology and Immunology
Université de Montréal
Montréal, Canada

CELL AND TISSUE PRODUCTION ADVISORY COMMITTEE AS AT MARCH 31, 2013

MEMBERS

Chair

Dr. François Auger
Director
Centre LOEX
Université Laval
Québec, Canada

Dr. Amit Bar-Or
Director
Montreal Neurological Institute and Hospital
Montréal, Canada

Dr. Elie Haddad
Professor
Department of Pediatrics
Université de Montréal
Montréal, Canada

Dr. Jacques Galipeau
Professor
Hematology and Medical Oncology, Pediatrics and Medicine
Emory University/Winship Cancer Institute
Atlanta, United States

CELL AND TISSUE PRODUCTION ADVISORY COMMITTEE AS AT MARCH 31, 2013 (CONT'D)

Dr. Réjean Lapointe
Professor
Faculty of Medicine
Université de Montréal
Centre de recherche du CHUM (Notre-Dame)
Montréal, Canada

Dr. Denis-Claude Roy
Director
Centre de recherche et laboratoire de thérapie cellulaire
Hôpital Maisonneuve-Rosemont
Montréal, Canada

RESEARCH ETHICS COMMITTEE AS AT MARCH 31, 2013

LAW

Chair

Suzanne Courchesne
Attorney
Borden Ladner Gervais
Montréal, Canada

LAW, SUBSTITUTE LEGAL EXPERT

Mélanie Champagne
Attorney
Borden Ladner Gervais
Montréal, Canada

RESEARCH FIELD SPECIALISTS

Clermont Dionne
Population Health Research Unit
Centre de recherche du CHA
Québec, Canada

RESEARCH ETHICS COMMITTEE AS AT MARCH 31, 2013 (CONT'D)

Michel Vincent
Centre de recherche sur la fonction, la structure et l'ingénierie des protéines
Université Laval
Québec, Canada

Jacques J. Tremblay
Centre de recherche du CHUQ (CHUL)
Ontogeny and Reproduction
Québec, Canada

BLOOD DONORS

Pierre McDuff
Association of Blood Donation Volunteers
Montréal, Canada

RECIPIENT REPRESENTATIVES ADVISORY COMMITTEE, ETHICIST

Michel Morin
COCQ-Sida
Montréal, Canada

SUBSTITUTE ETHICIST

Johane de Champlain
Attorney
Fonds de la recherche en santé du Québec
Montréal, Canada

LEGISLATIVE REQUIREMENTS

Compliance With Laws

ACCOUNTABILITY OBLIGATIONS

At present, there are five laws, regulations or policies that include accountability obligations for the annual report:

- The *Sustainable Development Act*
- The *Act respecting the Ministère du Conseil exécutif*, which covers the publication of the director code of ethics and cases handled under this code
- The *Regulation respecting the distribution of information and the protection of personal information*
- The *Act to implement certain provisions of the Budget Speech of 30 March 2010, reduce the debt and return to a balanced budget in 2013–2014* – better known as Bill 100
- The *Policy on the use and quality of French within the government*

SUSTAINABLE DEVELOPMENT, A DAILY OBJECTIVE

Through the *Government Sustainable Development Strategy*, the Québec government challenges all departments and public agencies by proposing that they adopt some of the 29 objectives included in its strategy.

To comply with these legal requirements and contribute to the improved well-being, health and quality of life of Quebecers, Héma-Québec has established its own strategic plan and identified six objectives that are relevant to the nature of the organization. This plan was developed around five key directions.

In 2012–2013, the Government of Québec deferred the review of the *Government sustainable Development Strategy* to 2015. As part of this two-year extension, it asked all departments and agencies governed by the *Sustainable Development Act* to choose one objective from among the 21 included in Agenda 21 for Culture and to implement new actions to attain that objective by March 31, 2015. Héma-Québec selected Objective 5, namely *cultural action from a sustainability perspective*. This is integrated in Government Objective No. 24.

A summary of the directions, goals and actions adopted with respect to sustainable development follows.

Government objective No. 1

Make people better aware of the concept and principles of sustainable development. Promote the sharing of knowledge and experience in this area and the integration of knowledge and know-how facilitating its implementation.

Several awareness-raising actions were taken with the staff to achieve this objective:

- The production of a newsletter for employees presenting accomplishments to date under Héma-Québec's sustainable development action plan.
- The publication on the Intranet of the directions, objectives and actions taken by Héma-Québec in sustainable development.
- A conference on sustainable development and urban agriculture held for staff.
- The presentation of Héma-Québec's sustainable development action plan in the employee welcome manual as well as during integration activities.
- Training in the sustainable development approach and the consideration of the principles of sustainable development offered to targeted employees.

Government objective No. 4

Continue developing and promoting a culture of prevention and define conditions that are beneficial for health, safety and the environment.

Several actions were conducted to achieve this objective:

- Maintenance of the medical/health program to immunize employees handling blood products against Hepatitis B and the annual employee flu vaccination program.
- Continuation of regular joint meetings of the health and safety committees.
- Several ergonomic evaluations of workstations made for office staff.
- Several tasks also analyzed by joint committees in laboratories so as to prevent work accidents or the development of musculo-skeletal problems.
- A hot-line for managers whose employees are experiencing psychological issues or work adjustment difficulties and are interested in problem solving methods. This service is offered through Héma-Québec's employee assistance program.
- Organization of a conference on getting motivated to take part in physical activity.
- Chair massage sessions within the organization.

Government objective No. 6

Apply environmental management measures and an eco-responsible procurement policy within government departments and agencies.

Identify potential markets in which sustainable development criteria can be applied and use these criteria in calls for tenders and in the marketplace.

Several actions were taken, on a continuing basis with those of past years, to incorporate sustainable development criteria in all Héma-Québec activities. Sustainable development clauses are systematically added to all calls for tenders and contracts issued by the various departments, when applicable. Needless to say, contracts dealing specifically with recycling and the environment must include sustainable development clauses.

Héma-Québec encourages the purchase of recycled equipment and ensures Energy Star compliance when selecting and purchasing new equipment. The old equipment is sent to an institution that dismantles it and recycles the materials.

Government objective No. 7

Promote reduction in the amount of energy, natural resources and materials used to produce and market goods and services.

Several actions were undertaken to achieve this objective:

- Acquisition of two electric vehicles in the fall of 2012 in order to reduce the organization's ecological footprint. The first model can cover a distance of 50 kilometres with a single charge before the gas generator kicks in. The second, which is entirely electric, covers 125 kilometres.
- Obtained LEED® (Leadership in Energy and Environmental Design*) *Gold* certification for the interior re-arrangement of part of the Montréal facility building. The new installations have reduced water consumption by approximately 45%. Also, 92% of the construction waste was not sent to landfill sites and was instead recycled or re-used, for a total of 214 tons. Moreover, 56% of the furniture was re-used and 90% of the computer equipment is Energy Star certified. Lastly, the use of materials with low volatile organic compound emissions—such as paint, floor coverings and furniture—and the addition of an automatic lighting system make this work environment even healthier and more comfortable.
- Initiation of the collection of donor email addresses. Between September 2012 and March 2013, close to 30,000 email addresses were collected, which has enabled the organization to reduce mailings and save money. Email is used, among other things, to thank donors for their last donation and to invite them to donate again.
- Recycling of frozen labile blood product boxes. Hospitals are encouraged to return the boxes in which the products were delivered to them to Héma-Québec so that we can re-use or recycle them.
- Implementation of electronic billing for hospitals. The number of paper invoices issued has been reduced by 97%, from 75,000 to 2,000 per year.
- Implementation of a computerized management system in GLOBULE Blood Donor Centres, which promotes a paperless environment.

Government objective No. 14

Focus on family life and facilitate balance between work, study and personal life.

Various measures were initiated to improve work-life balance and to help employees plan their retirement. They included:

- The continued growth of the work time organization program. A pilot project for the implementation of this program was, moreover, implemented in Montréal for laboratory personnel.
- Training was given on preparing for active retirement.

* The LEED® certification program, managed by the Canada Green Building Council, is an internationally recognized system for the design, construction and operation of high performance, ecological buildings.

Government objective No. 24

Increase citizens' involvement in their community.

In order to meet this objective, Héma-Québec continued its awareness-raising efforts, in cooperation with the Association of Blood Donation Volunteers (ABDV), in cegeps and universities, where 26,415 donors took part in 170 blood drives.

Maintaining the number of active volunteers contributing to blood drives and Héma-Québec's activities is also a priority. Working with the ABDV volunteers, Héma-Québec multiplied the presence of *ABO stands* in public places. For instance, ABDV volunteers took part in the *Eurêka – La science met son nez dehors!* festival in Montréal's Vieux-Port, in June 2012. More than 750 people visited the ABDV stand to discover their blood group and close to 500 children were entertained while learning about blood during the workshops inspired by the "BLOOD RED" educational kit. Similar projects were organized as part of a variety of community events such as the family festival in Trois-Rivières and at the *Centre de la nature*, in Laval.

Moreover, the ABDV volunteers took part in a pilot project to make the GLOBULE Blood Donor Centres known. As a result, they visited 150 businesses located in industrial parks in Montréal-Est and Laval to encourage employees to give blood just a few steps away from their workplace.

Cultural action from a sustainability perspective

Moreover, in order to respond to a government commitment to make culture a major cross-sectional component of sustainable development, Héma-Québec identified a new action to be included in the on-going implementation of this sustainable development action plan. This action is intended to ensure that Objective 5 of Québec's Agenda 21 for Culture is reached, namely: "Foster cultural development among citizens as well as their access to and participation in cultural activities. Encourage amateur cultural activities and cultural mediation. Include citizens in the cultural policy development process at all levels. Treat cultural activities as an opportunity for learning and building citizenship."

Government objective No. 8

Encourage participation in community life.

Organizational objective

To increase civic commitment among members of Héma-Québec by focusing on leisure activities and cultural participation.

Action

Organize various activities intended to highlight creativity and promote employees' amateur cultural practices.

Actions

- Invite employees to share their knowledge by offering courses or workshops to other employees (photography, Japanese binding).
- Organize exhibits, within the various facilities, of works created by the employees and illustrating the various partnerships created among the members of the organization.

Héma-Québec is gearing up to go green!

ACT RESPECTING THE *MINISTÈRE DU CONSEIL EXÉCUTIF* (R.S.Q. M-30)

Public directors, including the directors of Héma-Québec, are held to the highest standards of ethics and professional conduct, promoting and preserving public trust and transparency in the management of Québec's blood system.

In keeping with the *Regulation respecting the ethics and professional conduct of public office holders*, Héma-Québec's directors adopted a governance framework and director code of ethics in 1999. It was revised in depth in 2006. Since then, it has been reviewed each year by the Governance Committee and the directors sign a form each year agreeing to comply with it. Finally, the directors' declarations of interests are verified at the beginning of each meeting of the Board or one of its committees and this is indicated in the minutes for the meeting.

No case has been handled under the governance framework and director code of ethics and no failure to comply with it has been reported.

REGULATION RESPECTING THE DISTRIBUTION OF INFORMATION AND THE PROTECTION OF PERSONAL INFORMATION

In keeping with Section 4 of the *Regulation respecting the distribution of information and the protection of personal information*, Héma-Québec certifies that it has disseminated the required documents or information on its website.

REQUESTS FOR ACCESS TO INFORMATION

Six requests for access to information were received between April 1, 2012, and March 31, 2013.

Of these requests, two were refused, two were accepted and two were partially accepted. Five requests were processed within the required time: three within 20 days, one within 30 days and one within 62 days (deadline extended as a result of a request addressed to a third party to obtain the authorization to transmit information belonging to said individual). One request exceeded the prescribed response time by two days.

INFORMATION SECURITY COMMITTEE

Created in 2008, the Information Security Committee meets monthly and submits an annual report of its activities to the President and CEO. Specifically, its mandate is to monitor the measures implemented to ensure the integrity, security and confidentiality of the information collected and held by Héma-Québec. This mission is fulfilled on an ongoing basis and results in the preparation of reports for Héma-Québec's Management Committee. Over the last year, the Information Security Committee performed technical hacking tests on Héma-Québec's various systems so as to validate the security of our equipment. It pursued its Intranet awareness-raising campaign on good information security practices.

ACT TO IMPLEMENT CERTAIN PROVISIONS OF THE BUDGET SPEECH OF 30 MARCH 2010, REDUCE THE DEBT AND RETURN TO A BALANCED BUDGET IN 2013-2014

In keeping with Section 2 of the Act, Héma-Québec applied a salary scale increase of 1% for executives, professionals, technical and administrative support staff for 2012–2013. Moreover, on November 19, 2012, Héma-Québec was informed by the government that the economic growth indicator for 2010–2011 had been reached and that, consequently, an additional salary increase of 0.5%, retroactive to July 1, 2012, should be applied in keeping with the instructions of the Secretary of the Conseil du trésor.

POLITIQUE GOUVERNEMENTALE RELATIVE À L'EMPLOI ET À LA QUALITÉ DE LA LANGUE FRANÇAISE DANS L'ADMINISTRATION (POLICY ON THE USE AND QUALITY OF FRENCH WITHIN THE GOVERNMENT)

The policy is currently being developed in keeping with the *Politique gouvernementale relative à l'emploi et à la qualité de la langue française dans l'administration* (policy on the use and quality of French within the government).

Management Committee

From left to right:

Roger Carpentier, CRIA
Vice-President, Human Resources

Simon Fournier, DEC
Vice-President, Information Technology

Smaranda Ghibu, BCL, LLB
Vice-President, Corporate Affairs

Marco Décelles, CPA, CMA
Vice-President and Chief Operating Officer

Suzanne Rémy, MSc, MBA
Vice-President, Quality and Standards

Jean De Serres, MD, MSc, MBA
President and Chief Executive Officer

Yves Blais, PhD, MBA
Vice-President, Research and Development

Guy Lafrenière, CPA, CMA, MBA
Vice-President, Administration and Finance

Marc Germain, MD, PhD
Vice-President, Medical Affairs,
and Medical Director, Human Tissues

Governance Framework and Director Code of Ethics

PREAMBULE

Héma-Québec's mission is to efficiently provide adequate quantities of safe, optimal blood components and substitutes, human tissues, and cord blood to meet the needs of all Quebecers as well as to provide and develop expertise along with specialized and innovative services and products in the fields of transfusion medicine and human tissue transplantation.

This mandate is pursuant to the *Act respecting Héma-Québec and the Haemovigilance Committee* and to the recommendations of the Commission of Inquiry into the Blood System in Canada, headed by the Honourable Horace Krever.

As public administrators in the meaning of the *Act respecting the "ministère du Conseil exécutif"* (R.S.Q. M-30), Héma-Québec's directors are held to the highest ethical and professional standards, fostering and preserving public trust and transparency in the management of Québec's blood system.

GOVERNANCE FRAMEWORK

In making decisions and setting policies, Héma-Québec privileges the following principles and values:

1. Safety of the blood supply

Supply safety involves finding a balance between product safety and sufficiency. An inadequate supply could also have consequences for recipients. Decisions are primarily based on safety, but an adequate supply also factors into the method used to apply decisions.

2. Transparency

The success of a blood supply system depends on its credibility, and the trust and commitment it inspires. Transparency is the underlying attitude. Transparency calls for authenticity and an accessible decision-making process.

3. Giving blood is a privilege

Giving blood is a uniquely selfless act that must remain free. Blood donation is not a right and must not be used for other purposes.

4. Respect for donors and volunteers

Donors are the starting point of all Héma-Québec's operations. As donation is a selfless act, Héma-Québec must show donors respect and not undermine their integrity and dignity. Volunteers are also an essential part of Héma-Québec's mission. Volunteers must be treated with respect.

5. Efficiency

When appropriate, a review of benefits and expenses, including a cost/benefit analysis and decision analysis, may be carried out.

CODE OF ETHICS

1. General provisions

Definitions

In this code of ethics, unless the context dictates otherwise, the terms and expressions below are used as follows:

1.1 "Director or member of the Board of Directors": Person appointed to the Héma-Québec Board of Directors by the government, as well as the President and Chief Executive Officer, who is an ex officio member of the Board of Directors and acts as Secretary;

1.2 "Conflict of interest": Any real, apparent, potential or future situation in which a director may be inclined to give preference to his or her personal interest, or the interest of a related party, to the detriment of Héma-Québec;

1.3 "Board": Héma-Québec's Board of Directors;

1.4 "Related party": Individuals related by blood, adoption or marriage, or who have been living in a conjugal relationship for at least one year, as well as any organization, partnership or other entity in which the director or his/her friends and family may have a controlling interest.

Application and interpretation

1.5 This code of ethics applies to Héma-Québec's directors.

1.6 The code of ethics is not a substitute for any statutory, regulatory or ethical provision applicable to Héma-Québec directors, including those set out in the *Regulation respecting the ethics and professional conduct of public office holders.*

Where such provisions differ, Héma-Québec directors shall abide by the more stringent provision. Moreover, in case of doubt, they must act in the spirit of the principles described in the provisions.

1.7 The code of ethics in no way rules out the drafting of additional guidelines or rules pertaining to certain more specific sectors of activity or situations.

2. Management duties

2.1 Directors are appointed to contribute to the fulfilment of Héma-Québec's mission as part of their mandate. In carrying out their duties, they must adhere to the obligations imposed upon them by the law, the constitution and the rules and regulations, and act within the limits of the power conferred upon them.

2.2 The director must perform his/her duties with care and reserve:

2.2.1 The director must be rigorous and independent, and act in the best interests of Héma-Québec.

2.2.2 The behaviour of a director must be impartial.

2.2.3 The director must act within the limits of his/her mandate.

2.2.4 The director must be courteous, his/her relationships must be characterized by good faith, so as to maintain the trust and consideration required by his/her role.

2.2.5 The director must not in any way participate in illicit activities.

2.2.6 In the carrying out of his/her duties and responsibilities, the director must make decisions without regard for any partisan political consideration. Moreover, he/she must demonstrate restraint in the public expression of personal opinions in matters directly concerning the activities of Héma-Québec and in which the Board of Directors has been involved.

2.3 The director must act with honesty, loyalty and solidarity:

2.3.1 The director must act with integrity and impartiality in the best interests of Héma-Québec.

2.3.2 The director must actively take part in the development and implementation of the general directions of Héma-Québec, which in no way precludes his or her right to dissent.

2.3.3 The director must be loyal and upstanding to his/her colleagues and honest in his/her dealings with them.

2.3.4 The director must dissociate the fulfilment of his/her duties from the promotion or exercise of his/her professional or business activities, save for the President and Chief Executive Officer, who is at the exclusive service of Héma-Québec.

2.4 The director must act with skill, diligence and efficiency:

2.4.1 The director must exercise his/her skills and abilities, demonstrating diligence and effectiveness in carrying out his/her mandate. He/she must also demonstrate independent professional judgment.

2.4.2 The director is responsible and accountable for all his/her actions taken in the performance of his/her duties.

2.4.3 The director must make informed decisions, taking into account any necessary expertise if need be and considering each file in its entirety.

2.4.4 All members of the Board of Directors must actively participate in the Board's work and attend meetings regularly. They must also be assiduous when taking part in Board committees.

2.4.5 The director must show discernment in the courses of action and choices he/she favours.

2.5 The director must act according to the rules of confidentiality:

2.5.1 The director must respect the confidential nature of any information that comes to his/her attention in the course of his/her duties or by virtue of his/her position.

The first clause is not intended to restrict necessary communications between Board members.

2.5.2 The director must not use confidential information that comes to his/her attention during the course of his/her duties for the purpose of obtaining a direct or indirect advantage, now or in the future, for him/herself or a related party.

3. Conflicts of interest

General provisions

3.1 The director must at all times maintain a high level of independence and avoid any situation in which there could be a personal advantage, direct or indirect, either now or in the future, which could jeopardize his/her independence, integrity or impartiality.

3.2 The director must prevent any conflict of interest or appearance thereof and avoid putting him/herself in a position that could ultimately prevent him/her from fulfilling his/her duties.

3.3 The director must avoid any situation which could compromise his/her capacity to fulfil his/her duties in an impartial, objective, professional and independent manner.

3.4 The director shall not commingle the assets of Héma-Québec with his/her own; he/she shall not use the assets of Héma-Québec for his/her personal gain or the gain of a related party.

3.5 The director may not use Héma-Québec's services or information for his/her personal benefit or for the benefit of a related party.

3.6 The director may not exercise his/her duties in his own interest or in the interest of a related party.

3.7 The director must not accept a current or future advantage from anyone if he/she has knowledge, evidence or reason to believe that this current or future advantage is granted to him/her for the purpose of influencing his/her decision.

3.8 The director shall not make a commitment to a third or related party nor grant that party any guarantee with regard to a vote he/she may be required to cast or to any decision whatsoever that may be made by the Board of Directors.

3.9 The director must avoid any situation in which he/she could be in a conflict of interest. Without limiting the scope of the foregoing, the director:

3.9.1 Is in a conflict of interest when the interests in question are such that he/she may be brought to show preference for some of them to the detriment of Héma-Québec, or where his/her judgment and loyalty could be negatively affected.

3.9.2 Is not independent from a given decision if there is a personal advantage or advantage to a related party, now or in the future, as described in article 3.1.

Preventive measures

3.10 At the start of each meeting, the director must declare any existing conflict of interest to the Chair and see that it is recorded in the minutes.

3.11 The President and Chief Executive Officer may not, under penalty of dismissal, have a direct or indirect interest in a corporate body, partnership or other entity which could lead to a conflict of interest between him/herself and Héma-Québec. However, dismissal shall not be invoked if the interest is devolved upon the President and Chief Executive Officer by succession or gift, provided he/she renounces it or disposes of it promptly. Any other director having a direct or indirect interest in a corporate body, partnership, or other entity which could lead to a conflict of interest between him/

herself and Héma-Québec must, under penalty of dismissal, declare this interest in writing to the Chair of the Board as well as to the Minister and, if need be, abstain from participating in any deliberation or decision related to said corporate body, partnership, or other entity in which he/she has an interest. The director must also withdraw from the meeting for the duration of the deliberations and vote concerning the matter.

3.12 The director must demonstrate impartiality:

3.12.1 The director shall not solicit, accept or demand any gift, favour, other advantage or consideration, for him/herself or a related party, either directly or indirectly, now or in the future, which could compromise his/her independence, integrity or impartiality; such is the case of gifts, favours, advantages or considerations other than what is customary and of modest value.

3.12.2 The director must not award, offer to award or promise to award to a third party a gift, favour or other advantage or consideration that could compromise his/her independence, integrity or impartiality.

4. Political activities

4.1 Any director who intends to run for public office must inform the Chair of the Board of Directors.

4.2 A Chair of the Board of Directors or President and Chief Executive Officer who wishes to run for public office must tender his/her resignation.

5. Post-mandate measures

5.1 After his/her mandate expires, the director must maintain confidentiality and refrain from disclosing any non-public data, information, debate or discussion to which he/she was privy by virtue of his/her position at Héma-Québec.

5.2 In the year following the expiration of his/her mandate, the director may not participate, either on his/her own behalf or that of a third party, in a procedure, negotiation or other operation to which Héma-Québec is a party and with regard to which he/she has information that is not available to the public.

As well, the director must refrain from offering advice based on information that is not publicly available regarding Héma-Québec or another corporate body, partnership or entity with which he/she has had significant direct dealings in the course of the year preceding the conclusion of his/her mandate.

5.3 A director who has relinquished his/her duties must act in such a way so as not to reap undue advantage from his/her previous duties in the service of Héma-Québec.

6. Responsibilities and sanctions

6.1 Compliance with the code of ethics is an integral part of the duties and obligations of directors.

6.2 A director who observes an ethical failure, perceived or real, must inform the Chair of the Board of Directors. If this failure involves the Chair of the Board of Directors, the director must inform the Chair of the Governance Committee.

6.3 The Chair of Héma-Québec's Board of Directors or, in the cases involving him or her, the Chair of the Governance Committee, must investigate to ensure that the code of ethics is respected and applied.

6.4 A director who infringes upon any of the provisions in the code of ethics leaves him/herself open to the sanctions outlined in the *Regulation respecting the ethics and professional conduct of public office holders*, in accordance with the procedure established in said regulation.

6.5 Héma-Québec's Board of Directors shall revise this code of ethics on an annual basis to ensure that it adequately reflects changes in the laws, rules, regulations and situations specific to Héma-Québec.

6.6 Each director undertakes to sign the code of ethics agreement form appended hereto at the start of his/her mandate and every year thereafter.

This version was adopted by the Board of Directors on may 5, 2010.

Since Héma-Québec was founded in 1998, no case has ever had to be dealt with under the *Governance Framework and Code of Ethics for Directors*; 2012–2013 was no exception.

OUTREACH

VOLUNTEERS

Vital support for Héma-Québec's mission

Héma-Québec made the most of *National Volunteer Week*, from April 15 to April 21, 2012, to highlight the commitment of the women and men who make donations of blood, stem cells and human tissues possible. In order to celebrate their extraordinary sense of sharing, messages thanking them were posted at blood drive sites all through the week. Two volunteer recognition ceremonies were also organized, one in Montréal and the other in Québec City. More than 1,000 volunteers were invited.

HUMAN TISSUE DONORS

A second breath for ailing individuals

As part of *National Organ and Tissue Donation Week*, which ran from April 22 to April 29, 2012, Héma-Québec launched an awareness-raising campaign reiterating the fundamental role played by donors' loved ones and the medical teams when the time comes to consent to the donation of organs and tissues. Video testimonials were played on Héma-Québec's website as well as on social media to highlight the intensity of the emotions experienced by grieving people and the comfort that donating organs and human tissues can bring them.

BLOOD DONORS

Anonymous heroes united for life

National Blood Donor Week marked the starting point for Héma-Québec's summer campaign, with the theme United for life. For this campaign, personalities that are either opposites or competitors in their respective fields joined forces for the cause of blood donation. Thus, three very surprising duos were highlighted, namely master chefs Ricardo Larrivée and Chuck Hughes, musicians Dan Bigras and Angèle Dubeau, and hosts Guy A. Lepage and Julie Snyder. These duos were seen on roadside billboards, bus shelters, blood drive sites and Héma-Québec vehicles, as well as in newspapers and social media. They were also heard on the radio. Moreover, a special motion was tabled in the National Assembly to highlight the importance of giving blood and the thousands of people who work behind the scenes for the well-being of their fellow citizens.

Black history month

Black History Month provided an opportunity for Héma-Québec to remind the public about the essential contribution made by Black communities to the collective blood supply and to highlight the importance of increasing its diversity. Efforts made since 2009 to promote the cause of blood donation within these communities are bearing fruit. More than 1,914 donors have responded to the call to date, for an increase of 12.6% compared with the previous year.


UNITED FOR LIFE
GIVE BLOOD. GIVE LIFE.
HÉMA-QUÉBEC

AWARDS AND DISTINCTIONS

An advertising campaign produced for Héma-Québec received a CRÉA award from Infopresse

The *Ig2* advertising agency received an award for the "Your blood type can make a difference" advertising campaign, developed for Héma-Québec. It received a CRÉA award, presented by the magazine *Infopresse*, in the public service advertising category. The advertisements featured various words describing blood donors in a positive manner. For each word, the letter(s) of one of the blood groups (A, B, O, AB) were removed, to indicate their importance.

UNITED FOR LIFE

One of the five best advertising campaigns in 2012

The "United for life" summer campaign, developed by the advertising firm *Ig2* for Héma-Québec, was named one of the five best advertising campaigns of 2012, according to the newspaper *La Presse* (see *Blood donors: Anonymous heroes united for life*, on the previous page for details about this campaign).

Héma-Québec's writing quality rewarded

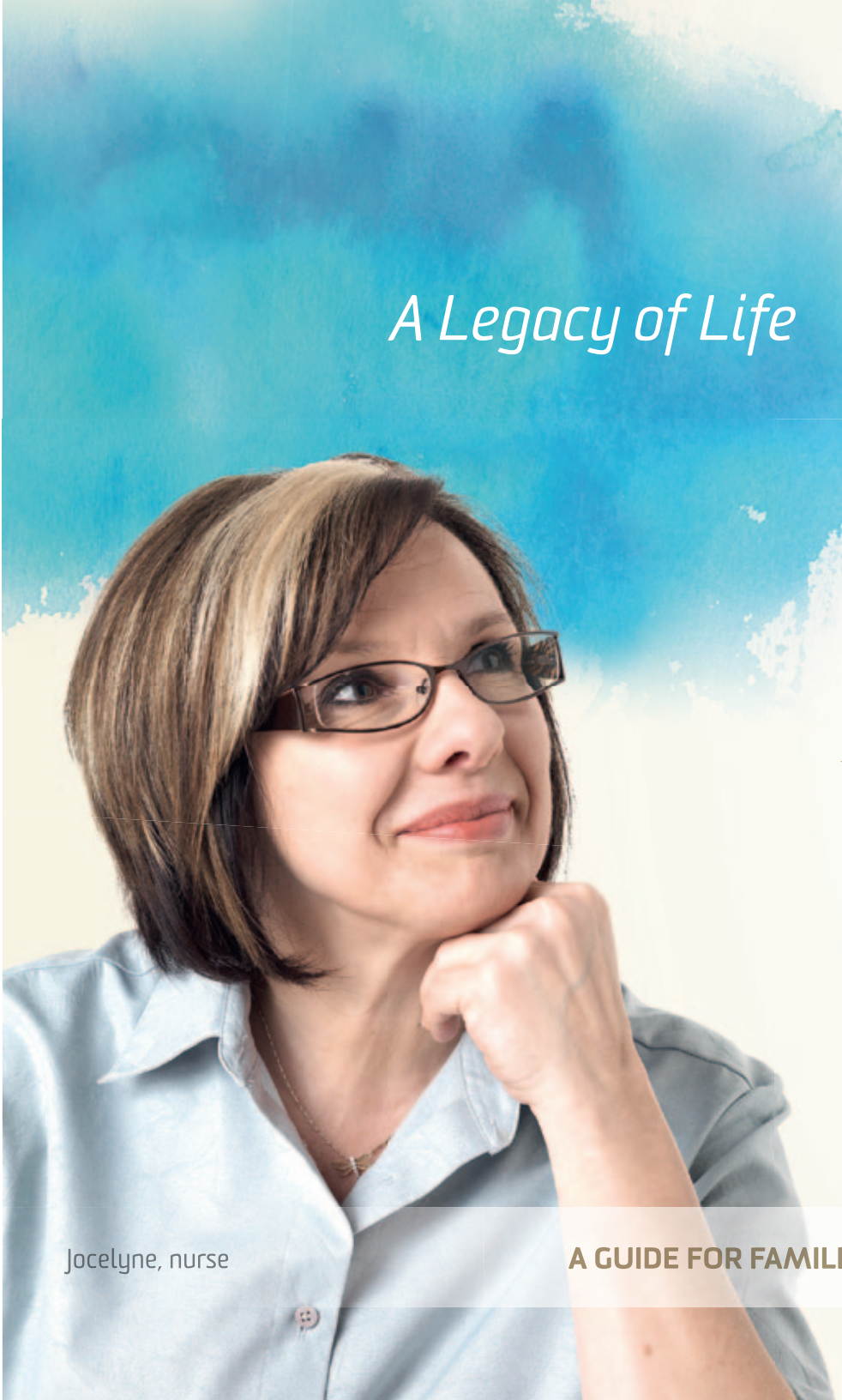
The *Société québécoise des professionnels en relations publiques* presented a Silver award to Héma-Québec in the "tactical writing excellence" category for its *Guide for families and loved ones* and its posters for the general public, intended to raise awareness about human tissue donation. These communication tools were developed in cooperation with the National public relations agency.

Brilliant triple play for Guy Lafrenière

In April 2012, Héma-Québec Vice-President, Administration and Finance, Guy Lafrenière, received the *CMA Excellence* award in the 40 and over category and was selected as a *CMA Elite candidate* for the Montréal section during the CMA's Excellence gala. Mr. Lafrenière also received the *Myosotis* award at the Québec CMA gala in June 2012 for the quality and outreach of his accomplishments.

Guy Lafrenière, Vice-President, Administration and Finance

A Legacy of Life



Jocelyne, nurse

HÉMA-QUÉBEC

A GUIDE FOR FAMILIES AND LOVED ONES

HUMAN TISSUE DONATION

PUBLICATIONS, PARTICIPATIONS, COMMITTEES

PUBLICATIONS

Paquin Proulx D, Rouleau P, Paré I, Noël-Vallières MM, Bazin R (2012). Interaction between intravenous immunoglobulin (IVIg) and the low-density lipoprotein receptor-related protein 1: a role for transcytosis across the blood brain barrier?, *Journal of Neuroimmunology*, 251 (1-2): 39-44.

Tounkara KF, Fournier S, Boyer L, Pineault N (2012). Mild hyperthermia promotes and accelerates the differentiation and maturation of erythroid cells, *Stem Cells and Development*, 21 (17): 3197-3208.

Tremblay T, Paré I, Bazin R (2013). Immunoglobulin G dimers and immune complexes are dispensable for the therapeutic efficacy of intravenous immune globulin in murine immune thrombocytopenia, *Transfusion*, 53 (02): 261-269.

Néron S, Roy A (2012). An overview of self-reactivity of IgG repertoire in therapeutic immunoglobulins revealed by protein array analysis, *Biochemistry & Analytical Biochemistry*, S8: 001. DOI: 10.4172/2161-1009. S8-001.

Néron S, Roy A, Dumont N (2012). Large-scale in vitro expansion of polyclonal human switched-memory B lymphocytes, *PLoS ONE*, 7 (12): e51496.

St-Amour I, Bousquet M, Paré I, Drouin-Ouellet J, Cicchetti F, Bazin R, Calon F (2012). Impact of intravenous immunoglobulin on the dopaminergic system and immune response in the acute MPTP mouse model of Parkinson's disease, *Journal of Neuroinflammation*, 9: 234.

Émond H, Boyer L, Roy DC, Pineault N (2012). Co-transplantation of ex vivo expanded progenitors with non-expanded cord blood cells improves platelet recovery, *Stem Cells and Development*, 21 (17): 3209-3219.

Trépanier P, Bazin R (2012). Intravenous immunoglobulin (IVIg) inhibits CD8 cytotoxic T cell activation, *Blood*, 120 (13): 2769-2770.

Padet L, Bazin R (2013). IVIg prevents the in vitro activation of T cells by neutralizing the T cell activators, *Immunology Letters*, 150 (1-2): 54-60.

Pineault N, Robert A, Cortin V, Boyer L (2013). Ex vivo differentiation of cord blood stem cells into megakaryocytes and platelets. Dans Helgason CD, Miller CL, *Basic Cell Culture Protocols, 4th Edition, Methods in Molecular Biology, vol. 946*, (Humana Press/Springer Science+Business Media, LLC, 409 p.): 205-224.

INSTITUTIONAL AND SCIENTIFIC PRESENTATIONS

Road Show Privigen, Montréal, Gatineau and Québec City, Canada, April 16 and 30, May 7 and June 18, 2012

Oral presentation

Lapierre J, Lebrun A. "L'approvisionnement en IgIV au Québec 2012-2017, le système québécois du sang et le mandat d'Héma-Québec"

43rd meeting of *Biomedical Excellence for Safer Transfusion* (BEST), Louvain, Belgique, April 20 and 21, 2012

Oral presentation

Thibault L. "Can we store platelets better? Status of bags"

99th annual meeting of the American Association of Immunologists (AAI), Boston, United States, May 4–8, 2012

Posters

St-Amour I, Bousquet M, Paré I, Drouin-Ouellet J, Bazin R, Calon F. "No neurorestorative effect of IVIg in a mouse model of Parkinson disease"

Padet L, Bazin R. "Role of accessory cells in the IVIg-mediated inhibition of T cell activation"

80th congress of the *Association canadienne-française pour l'avancement des sciences* (ACFAS), Montréal, Canada, May 7–11, 2012

Oral presentations

Agbato I, Kouassi É, Thibault L, de Grandmont MJ, Beauséjour A, Nadeau P, Ducas É, McKinnon LA, Nkuranga M, Jacques A, Koué MÈ. "La sérotonine diminue la protéolyse de la protéine de bande 3 des globules rouges et réduit l'inflammation post-transfusion"

Kouassi É, Agbato I, Koué ME, Thibault L, de Grandmont MJ, Beauséjour A, Nadeau P, Ducas É, McKinnon LA, Nkuranga M, Jacques A. "La sérotonine, une option pour la conservation des globules rouges en banque de sang"

8th International Congress on Autoimmunity, Grenade, Espagne, May 9–13, 2012

Oral presentations

Tremblay T, Bazin R. "IgG dimers are dispensable for the therapeutic effect of IVIg in ITP"

Tremblay T, Paré I, Bazin R. "Immune complex formation following addition of IVIg to human plasma"

Canadian Society for Transfusion Medicine Conference, Halifax, Canada, May 24–27, 2012

Oral presentations

Cayer MP, Bédard C, Nolin MÈ, Deschênes É, Caron B, St-Louis M, Chevrier MC, Constanzo-Yanez J, Thibault L. "Validation of a novel in-house Dombrock genotyping test"

de Grandmont MJ, Ducas É, Brien M, Thibault L. "Effect of room temperature exposure on red blood cell contamination"

de Grandmont MJ, Ducas É, Méthot M, Thibault L. "Effect of transitory exposure of red blood cell units on their in vitro parameters"

Jacques A, Tremblay M, Morin M, de Grandmont MJ, Thibault L. "Overnight storage of whole blood : validation of a new system to rapidly cool and transport whole blood units at 20–24°C"

Posters

Cayer MP, Dussault N, Thibault L. "Flow cytometric analysis of residual red blood cells and microparticles in platelet concentrates"

de Grandmont MJ, Dion J, Tremblay M, Germain M, Thibault L. "Red blood cell hemolysis: comparing quality management data to the new Canadian standard"

Jacques A, de Grandmont MJ, Bédard C, Robillard P, Rémy S, Dion J, Tremblay M, Fissette É, Dubuc S, Thibault L. "Residual plasma content of red blood cells units"

Jacques A, Ducas É, Beauséjour A, Thibault L. "A simple device for rapid cooling and transport of whole blood under extreme temperature conditions"

Lavoie J, Perreault J, Éthier J, Constanzo-Yanez J, St-Louis M. "Rare blood donors identified: a success story"

McKinnon LA, Cayer MP, Dussault N, Néron S, Thibault L. "Using fluorescent cell barcoding to monitor the effect of blood products on mononuclear cells"

Simard C, Néron S. "Fluorescent cell bar coding: a simple method to help in multiple myeloma diagnostics and prognostics"

Thibault L, Nolin MÈ, Daoud H, de Grandmont MJ, Delage G, Jacques A. "Bacterial contamination of platelet concentrates: implication of negative culture when retesting the blood product after a positive result with the BacT/ALERT 3D"

Thibault L, Tremblay M, Dion J, Morin M, de Grandmont MJ. "Validation of buffy coat platelet production with the Atreus and OrbiSac blood processing devices"

Tremblay T, Bazin R. "IgG dimers are dispensable for the therapeutic effect of IVIg in ITP"

Tremblay T, Paré I, Bazin R. "Immune complex formation following addition of IVIg to human plasma"

Association of Faculties of Pharmacy of Canada (AFPC) annual conference, Québec City, Canada, June 5–7, 2012

Poster

St-Amour I, Alata W, Ringuette-Goulet C, Paré I, Soulet D, Bazin R, Calon F. "Brain uptake of intravenous immunoglobulins in vivo: implication for the treatment of Alzheimer disease"

Joint congress of the *Ordre professionnel des technologistes médicaux du Québec* (OPTMQ) and the *Association des cytologistes du Québec* (ACQ), Lévis, Canada, June 14–16, 2012

Guest lecture

Néron S. "Les anticorps et leurs fonctions: la défense humorale de notre système immunitaire au service de la santé"

25th annual meeting of the Canadian Society for Immunology, St. John's, Canada, June 15–18, 2012

Poster

Itoua Maïga R, Néron S. "Comparative study of peripheral blood and in vitro generated plasma cells based on CD31 and CD39 expression"

32nd international congress of the International Society of Blood Transfusion (ISBT), Cancun, Mexique, July 7–12, 2012

Oral presentation

St-Louis M, Lebrun A, Goldman M, Lavoie M. "DEL blood donors alloimmunised patients: the Canadian experience"

Annual Serotonin Club Meeting (a satellite of the 6th European Congress of Pharmacology), Montpellier, France, July 10–12, 2012

Oral presentation

Kouassi É, Agbato I, Koué ME, Thibault L, de Grandmont MJ, Beauséjour A, Nadeau P, Ducas É, McKinnon LA, Nkuranga M, Jacques A. "Key function of serotonin in erythrocyte production and survival"

Alzheimer's Association International Conference (AAIC), Vancouver, Canada, July 14–19, 2012

Posters

St-Amour I, Alata W, Ringuette-Goulet C, Paré I, Soulet D, Bazin R, Calon F. "Passage of human intravenous immunoglobulins through the blood brain barrier in vivo: implication for the treatment of Alzheimer disease"

St-Amour I, Paré I, Tremblay C, Bazin R, Calon F. "Beneficial effects of IVIg in the triple transgenic mouse model of Alzheimer disease"

10th Annual Transfusion Immunology and Related Topics Symposium, Toronto, Canada, September 8, 2012

Guest lecture

Bazin R. "IVIG effects in a mouse model of Alzheimer's disease"

Annual conference of the Canadian Immunodeficiencies Patient Organization (CIPO), Québec City, Canada, September 15, 2012

Guest lecture

Lapierre J, Lebrun A. "Mandat d'Héma-Québec et approvisionnement en IgIV au Québec 2012-2017"

65th annual meeting of the AABB et CTTXPO, Boston, United States, October 6–9, 2012

Oral presentations

Ratelle, O, Dorais MC, Rainville L, Brouard D, Lavoie FA, St-Louis M, Boudreau D. "Plasmon-enhanced fluorescence sensing technology for PCR-free blood genotyping"

Thibault L, Ducas É, de Grandmont MJ, Brien M. "Effect of short-term deviations in red blood cell storage temperature on bacterial growth"

Thibault L, Cayer MP, Dussault N. "Antigenic determinants on residual red blood cell microparticles found in platelet concentrates"

Posters

St-Louis M, Constanzo-Yanez J, Paquet M, Petitclerc I, Éthier C, Lavoie J. "Two new RHD variants: 717C>A and 254C>T"

St-Louis M, Lavoie J, Caron S, Paquet M, Perreault J. "Two new JK variants causing null and weakened Jk^b antigen"

Thibault L, de Grandmont MJ, Ducas É, Méthot M. "Effect of short-term deviations in storage temperature on red blood cell in vitro parameters"

Thibault L, Nolin MÈ, Jacques A, Daoud H, de Grandmont MJ, Delage G. "Bacterial contamination of platelet concentrates: implication of negative culture when retesting the blood product after a positive result with the BacT/ALERT 3D"

Thibault L, Jacques A, de Grandmont MJ, Bédard C, Robillard P, Rémy S, Dion J, Tremblay M, Fissette É, Dubuc S. "Volume and residual plasma content of red blood cell units"

Annual conference of the *directeurs des cliniques d'hémophilie du Québec*, Drummondville, Canada, October 12, 2012

Guest lecture

Lapierre J. "Mise à jour sur les produits stables"

54th American Society of Hematology (ASH) Annual Meeting and Exposition, Atlanta, États-Unis, December 8–11, 2012

Posters

Loubaki L, Bazin R. "IVIg negatively regulates LPS-induced monocyte activation through a microRNA-146a related mechanism"

Padet L, Bazin R. "The early induction of PDL1 on monocytes by IVIg suppresses T cell activation in allogeneic mixed lymphocyte reactions"

11th International Conference on Alzheimer's & Parkinson's Diseases, Florence, Italy, March 6–10, 2013

Poster

Calon F, St-Amour I, Paré I, Alata W, Coulombe K, Tremblay C, Bazin R. "Clues to the mechanisms of action of IVIg in the triple transgenic mouse model of Alzheimer disease"

PARTICIPATION IN OTHER ACTIVITIES

Bazin R. "La recherche sur le sang de cordon à Héma-Québec." Presentation to medical staff at Hôpital Saint-François d'Assise, Québec City, February 21, 2012.

Ramirez-Arcos S, Thibault L. "Proposed changes to CAN/CSA-Z902-10 blood and blood components: challenging the 30 minute rule for RBCs." Presentation to the Canadian Standards Association (CSA) Review Committee on blood and blood components standards, Ottawa, November 14, 2012.

Bazin R. "Conférence éclair." Presentation given as part of the journée BioConnexion 2.0, at Université Laval du Québec, March 27, 2013.

EXTERNAL TRAINING

Néron, S. "BCM-1002 : Techniques biochimiques." Two-hour class for Bachelor of Science students in Biochemistry and Microbiology at Université Laval, April 13, 2012.

St-Louis, M. "Biologie moléculaire des groupes sanguins, niveau 2." Training given to hospital serologists, April 20 and 27 and November 2 and 15, 2012.

Néron, S. "Les anticorps et leurs fonctions : la défense humorale de notre système immunitaire, niveau 2." Training given to hospital serologists, April 20 and November 2 and 13, 2012.

Néron, S, Itoua Maïga, R. "Préparation d'échantillons cellulaires, vérification de réactifs et analyses en cytométrie." Training offered to students in the Department of Biochemistry, Microbiology and Bio-informatics at Université Laval, March 19, 2013.

Néron, S, Itoua Maïga, R. "La cytométrie en flux : voir les cellules sous toutes les couleurs." Training offered to students in the Department of Biochemistry, Microbiology and Bio-informatics at Université Laval, as part of the "MCB-3006 : laboratoire d'immunologie" course, March 25, 2013.

PARTICIPATION IN EXTERNAL COMMITTEES

Smaranda Ghibu, Vice-President, Corporate Affairs

President of the International Society of Blood Transfusion (ISBT) Ethics committee (2010–)

Member of the ABO Working Group on risk-based decision making for blood safety (2012–)

Suzanne Rémy, Vice-President, Quality and Standards

Member of the Advancing Transfusion and Cellular Therapies Worldwide (AABB) Accreditation Program Committee (2004–)

Member of the Advancing Transfusion and Cellular Therapies Worldwide (AABB) Plasma Task Force (2011–)

CSA: Member of the Technical Committee for the Safety of Blood and Labile Blood Products (2002–)

CSA: Member of the Technical Committee for the Safety of Cells, Tissues and Organs for Transplantation (2009–)

Jacynthe Tremblay, Manager, Product Development (human tissues)

Member of the North American Tissue Technical Advisory Group (NATTAG) of the International Council for Commonality in Blood Banking Automation (ICCBBA), for the development of ISBT 128 nomenclature for heart valve (2011–) and musculoskeletal (2013–) allografts

Member of the American Association of Tissue Banks (AATB) Processing and Distribution Council (2011–)

Simon Fournier, Vice-President, Information Technology

Member of the American Technical Advisory Group (ATAG) of the International Council for Commonality in Blood Banking Automation (ICCBBA), the organization that manages the ISBT 128 standard for the codification of blood products, stem cells and tissues (2011–2013)

Yves Blais, Vice-President, Research and Development

Member of the Technoparc Montréal advisory committee (2012–2013)

Donald Gironne, Senior Specialist, Production Software

Technical expert of the American Technical Advisory Group (ATAG) of the International Council for Commonality in Blood Banking Automation (ICCBBA), the organization that manages the ISBT 128 standard for the codification of blood products, stem cells and tissues (2012–2014)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2013

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MANAGEMENT'S REPORT

The financial statements of Héma-Québec in this annual report were drawn up by management, which is responsible for their preparation and presentation, and the significant judgments and estimates included therein. This responsibility involves the selection of appropriate accounting policies that comply with Canadian Public Sector Accounting Standards. The financial information presented elsewhere in this annual report is consistent with that provided in the financial statements.

To fulfil its mandate, management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that transactions are duly approved and properly recorded on a timely basis and in a manner suitable for preparing reliable financial statements.

Héma-Québec recognizes that it is responsible for conducting its affairs in accordance with the statutes and regulations governing it.

The Board of Directors monitors the manner in which management carries out its financial reporting responsibilities and approves the financial statements. It is assisted in its responsibilities by the Audit Committee whose members are not part of management. The committee meets with management and the Auditor General of Québec, reviews the financial statements and recommends their approval to the Board of Directors.

The Auditor General of Québec has audited the financial statements of Héma-Québec in accordance with Canadian generally accepted auditing standards. His independent auditor's report states the nature and scope of the audit and expresses his opinion.

The Auditor General of Québec has full and unrestricted access to the Board of Directors to discuss any matter related to his audit.

Guy Lafrenière, CPA, CMA, MBA
Vice-President, Administration and Finance

Jean De Serres, MD, MSc, MBA
President and Chief Executive Officer

Montréal, June 12, 2013

INDEPENDENT AUDITOR'S REPORT

To the National Assembly

Report on the financial statements

I have audited the financial statements of Héma-Québec, which comprise the statement of financial position as at March 31, 2013, and the statements of operations and accumulated surplus, remeasurement gains and losses, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in the accompanying notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of Héma-Québec as at March 31, 2013 and the results of its operations, remeasurement gains and losses, changes in net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Report on other legal and regulatory requirements

As required by the *Auditor General Act* (R.S.Q., chapter V-5.01), I report that, in my opinion, except for the changes in accounting policies regarding financial instruments and transfer payments as explained in note 3, these standards have been applied on a basis consistent with that of the preceding year.

Acting Auditor General of Québec,

Michel Samson, CPA auditor, CA

Michel Samson, CPA auditor, CA

Montréal, June 12, 2013

FINANCIAL STATEMENTS

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31, 2013 (in thousands of dollars)

	2013 BUDGET	2013 ACTUAL	2012 ACTUAL
REVENUES			
Blood products	324,474	324,749	302,312
Grants from the Government of Québec	36,005	34,216	34,077
Human tissue	3,421	2,712	2,467
Cord blood	450	1,838	197
Interests	148	384	322
Other	2,451	2,330	2,583
	366,949	**366,229**	**341,958**
EXPENSES (note 4)			
Stable products	204,065	208,643	190,976
Labile products	140,286	130,292	126,757
Other services	22,598	23,724	21,216
	366,949	**362,659**	**338,949**
OPERATING SURPLUS (before undernoted)	**–**	**3,570**	**3,009**
Credits issued to Québec hospital centres pertaining to previous year (note 5)	–	(3,009)	(2,957)
ANNUAL OPERATING SURPLUS	**–**	**561**	**52**
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR		3,924	3,872
ACCUMULATED OPERATING SURPLUS, END OF YEAR		**4,485**	**3,924**

The accompanying notes are an integral part of the financial statements.

STATEMENT OF REMEASUREMENT GAINS AND LOSSES FOR THE YEAR ENDED MARCH 31, 2013 (in thousands of dollars)

	2013	2012
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	–	–
Derivatives (note 15)	(4,011)	
As restated	(4,011)	
Unrealized gains (losses) attributable to the following:		
Derivatives	794	
Exchange rate	(398)	
Amount reclassified to income		
Derivatives	4,011	
Net remeasurement gains for the year	**396**	
ACCUMULATED REMEASUREMENT GAINS, END OF YEAR	**396**	–

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED MARCH 31, 2013 (in thousands of dollars)

	2013	2012
FINANCIAL ASSETS		
Cash and cash equivalents	30,365	17,807
Accounts receivable (note 6)	3,832	2,551
Inventories held for sale (note 7)	44,876	33,813
Derivatives (note 15)	794	–
	79,867	**54,171**
LIABILITIES		
Accounts payable and accrued liabilities (note 8)	49,170	28,125
Deferred grants from the Government of Québec	5,566	7,709
Non-interest bearing advance from the Government of Québec	10,818	7,937
Debt (notes 9 and 10)	42,536	38,509
Accrued benefit liability (note 11)	7,479	7,839
	115,569	**90,119**
NET DEBT	**(35,702)**	**(35,948)**
NON-FINANCIAL ASSETS		
Tangible capital assets (note 12)	37,320	37,290
Prepaid expenses (note 13)	1,987	1,246
Deferred charges (note 14)	1,276	1,336
	40,583	**39,872**
ACCUMULATED SURPLUS	**4,881**	**3,924**
ACCUMULATED SURPLUS CONSISTS OF THE FOLLOWING:		
Accumulated operating surplus	4,485	3,924
Accumulated remeasurement gains	396	–
	4,881	**3,924**
Contractual commitments (note 16)		
Contingencies (note 17)		

The accompanying notes are an integral part of the financial statements.

ON BEHALF OF THE BOARD OF DIRECTORS,

Martine Carré, MA
Chair of the Board of Directors

René Carignan, CPA, CA
Chair of the Audit Committee

STATEMENT OF CHANGES IN NET DEBT FOR THE YEAR ENDED MARCH 31, 2013 (in thousands of dollars)

	2013 BUDGET	2013 ACTUAL	2012 ACTUAL
ANNUAL OPERATING SURPLUS	–	**561**	**52**
Acquisition of tangible capital assets	(7,077)	(5,866)	(3,592)
Amortization of tangible capital assets	5,938	5,367	5,165
Discontinuation of capital asset project in progress	–	–	367
(Gain) loss on disposal and sale of tangible capital assets	–	(82)	21
Proceeds on disposal of tangible capital assets	–	551	4
	(1,139)	**(30)**	**1,965**
Acquisition of prepaid expenses	–	(4,096)	(3,086)
Use of prepaid expenses	–	3,355	3,132
Amortization of deferred charges	63	60	60
	63	**(681)**	**106**
Net remeasurement gains for the year	**–**	**396**	**–**
Decrease (increase) in net debt	(1,076)	246	2,123
NET DEBT, BEGINNING OF YEAR	(35,948)	(35,948)	(38,071)
NET DEBT, END OF YEAR	**(37,024)**	**(35,702)**	**(35,948)**

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2013
(in thousands of dollars)

	2013	2012
OPERATING ACTIVITIES		
Annual operating surplus	561	52
Items not affecting cash and cash equivalents		
Amortization of tangible capital assets	5,367	5,165
Discontinuation of capital asset project in progress	–	367
(Gain) loss on disposal and sale of tangible capital assets	(82)	21
Amortization of deferred charges	60	60
Unrealized exchange loss	–	91
	5,906	**5,756**
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(1,281)	388
Increase in inventories held for sale	(11,063)	(182)
(Increase) decrease in prepaid expenses	(741)	46
Increase in accounts payable and accrued liabilities	20,528	1,239
Decrease in deferred grants from the Government of Québec	(2,143)	(720)
Increase in advance from the Government of Québec	2,881	3,643
Decrease in accrued benefit liability	(360)	(81)
Cash flows from operating activities	**13,727**	**10,089**
INVESTING ACTIVITIES RELATED TO TANGIBLE CAPITAL ASSETS		
Acquisition of tangible capital assets	(5,349)	(3,828)
Proceeds on disposal of tangible capital assets	551	4
Cash flows used in investing activities related to tangible capital assets	**(4,798)**	**(3,824)**
FINANCING ACTIVITIES		
Increase in debt	8,300	2,725
Debt repayment	(4,273)	(4,679)
Cash flows from (used in) financing activities	**4,027**	**(1,954)**
Unrealized exchange loss on cash and non-cash working capital items denominated in foreign currency	(398)	(91)
INCREASE IN CASH AND CASH EQUIVALENTS	**12,558**	**4,220**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,807	13,587
CASH AND CASH EQUIVALENTS, END OF YEAR	**30,365**	**17,807**
ADDITIONAL INFORMATION		
Interest paid	1,241	1,384
Interest received	392	324
Acquisitions of tangible capital assets financed by accounts payable and accrued liabilities	858	341

The accompanying notes are an integral part of the financial statements.

1. INCORPORATION AND NATURE OF OPERATIONS

Héma-Québec, constituted on March 26, 1998 by letters patent issued under Part III of the *Companies Act* (R.S.Q., chapter C-38), is continued in accordance with the provisions of the *Act respecting Héma-Québec and the Haemovigilance Committee* (S.Q. 1998, chapter 41). Héma-Québec is a legal person not established for pecuniary gain (not-for-profit organization) whose mission is to efficiently provide adequate quantities of safe, optimal blood components and substitutes, human tissue and cord blood to meet the needs of all Quebecers; to provide and develop expertise, services and specialized and innovative products in the fields of transfusion medicine and human tissue transplantation. Héma-Québec operates in a regulated environment in compliance with the requirements of the *Food and Drug Act* and under a licence from the Biologics and Genetic Therapies Directorate of Health Canada. Under its incorporating statute, Héma-Québec is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

In preparing its financial statements, Héma-Québec primarily uses the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants (CICA). The use of any other primary source of generally accepted accounting principles must be consistent with the CICA Handbook.

The preparation of the financial statements of Héma-Québec in accordance with *Canadian Public Sector Accounting Standards* requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the recognition of amounts of revenues and expenses for the financial statement reporting period. The main estimates consist of the useful life of tangible capital assets, allowance for pay equity and accrued benefit liability. Actual results could differ from management's best estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

REVENUES

Revenues are accounted for on an accrual basis. Revenues resulting from products are recognized once all the risks and rewards of ownership have been transferred to clients, while revenues from services are recognized as the services are rendered.

Revenues derived from Government of Québec grants relating to human tissue, stem cells, cord blood, the reference laboratory and the eye bank as well as the Synagis product are recognized when transfers are authorized and the eligibility criteria are met, as required. Transfers are recorded as revenue, unless, and to the extent that, the provisions of the agreement create an obligation that meets the definition of a liability.

FINANCIAL ASSETS

Cash and cash equivalents

Héma-Québec's policy consists in presenting bank balances in cash and cash equivalents, including bank overdrafts whose balances fluctuate from being positive to overdrawn, as well as the line of credit used to make up cash deficiencies.

Financial instruments

Financial instruments comprise financial assets and liabilities as well as derivatives. Their measurement depends on their classification, as described below.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and cash equivalents	Cost
Trade accounts and other receivables	Cost
Trade accounts payable, salaries and accrued vacation	Cost
Advance from the Government of Québec	Cost
Derivatives	Fair value
Debt	Amortized cost

Héma-Québec uses derivative financial instruments to manage currency risk. Unrealized gains and losses on foreign exchange contracts are recorded up until the settlement period in the statement of remeasurement gains and losses and, upon settlement, the accumulated balance of remeasured gains or losses is reclassified to the statement of operations.

Inventories held for sale

Inventories held for sale, consisting of inventories of blood, labile and stable products, and human tissue, are measured at the lower of cost and recoverable amount, with cost determined using the average cost method. The recoverable amount is the estimated selling price less the related variable selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

LIABILITIES

Deferred grants from the Government of Québec

The grants received from the Government of Québec are first accounted for as deferred grants when the provisions of the agreement create an obligation that meets the definition of a liability. Second, the deferred grants are reduced, and an equivalent amount of grant revenues is recognized as the conditions related to the liability are satisfied.

Employee benefit plans

Héma-Québec offers its employees defined benefit and defined contribution pension plans. Contributions are made by both Héma-Québec and plan members. Héma-Québec also provides its employees with certain post-employment benefits accounted for under "other plans," while providing certain retirees with health and life insurance benefits.

The cost of retirement benefits is measured using net current period benefit cost, net prior period service cost arising from an amendment, amortization of actuarial gains and losses, and accrued benefit obligation interest expense, less the expected return on plan assets.

An accrued benefit asset or liability is presented in the statement of financial position to reflect the difference at year-end between the value of accrued benefit obligations and the value of plan assets, net of unamortized actuarial gains and losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Accrued benefit obligations and current year benefit cost are actuarially determined using the projected benefit method prorated on services and management's best estimates as to the expected rate return on plan investments, inflation rate, discount rate, rate of compensation increase, employee retirement ages and assumed health care cost trends.

The market-related value approach is used to calculate the value of assets and expected return on assets smoothed over a five-year period.

Plan amendments give rise to a past service cost, which is recognized as an expense in the year of the amendments.

Actuarial gains or losses arise from, in particular, the difference between the actual return on plan assets and the expected return on plan assets, as well as the difference between plan experience and the actuarial assumptions used to determine the accrued benefit obligation, as well as changes to these assumptions. Actuarial gains and losses are amortized over the average expected remaining service life of participating employees.

Foreign currency translation

Foreign currency transactions are accounted for at the average monthly exchange rate. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in effect on the statement of financial position date, whereas non-monetary items are translated at the historical average monthly exchange rate. Fluctuations in the foreign exchange rate give rise to foreign exchange gains or losses recognized in the statement of remeasurement gains and losses up to the settlement period, at which point the accumulated balance of remeasurement gains or losses is reclassified in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NON-FINANCIAL ASSETS

By their nature, non-financial assets of Héma-Québec are normally used to provide future services.

Tangible capital assets

Tangible capital assets are recorded at cost and amortized on a straight-line basis over their useful lives, except for unamortized land, using the following rates:

Building	4%
Betterment	5% and 10%
Leasehold improvements	lease term
Automotive equipment	10% and 20%
Machinery and equipment	10% and 20%
Office furniture and equipment	20%
Computer hardware	33 1/3%
Software applications	33 1/3%
Software packages	20%

Assets under construction or development are not amortized until put into service.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When conditions indicate that a tangible capital asset no longer contributes to Héma-Québec's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is to be reduced to reflect the decline in the asset's value. Write-downs are accounted for as expenses for the year in the statement of operations and are not subsequently reversed.

3. CHANGES IN ACCOUNTING POLICIES

On April 1, 2012, Héma-Québec adopted the recommendations contained in the following sections of the *CICA Handbook*.

Section PS 1201, "Financial Statement Presentation"

Héma-Québec has adopted the recommendations of Section PS 1201, "Financial Statement Presentation". This section requires the presentation of remeasurement gains and losses in a new financial statement. As well, accumulated surplus or deficit is presented as the total of the accumulated operating surplus or deficit and accumulated remeasurement gains and losses. Adoption of this standard had no impact on the results or financial position, and the required disclosures have been made in the financial statements.

Section PS 2601, "Foreign Currency Translation"

Héma-Québec has adopted the recommendations of Section PS 2601, "Foreign Currency Translation". Under this new section, an entity must record foreign exchange gains or losses in the statement of remeasurement gains and losses up until the settlement period rather than in the statement of operations. Prior period financial statements including information presented for comparative purposes, have not been restated.

3. CHANGES IN ACCOUNTING POLICIES (CONT'D)

Section PS 3410, "Government Transfers"

Héma-Québec has adopted the recommendations of Section PS 3410, "Government Transfers". This new section, which sets out the recognition criteria for government transfers, consisting of Government of Québec grants received by Héma-Québec, specifically requires the recognition of those amounts as revenue in the year the transfer is authorized and all eligibility criteria, if any have been met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Prior period financial statements including information presented for comparative purposes have not been restated. Adoption of this standard had no impact on Héma-Québec's financial statements.

Section PS 3450, "Financial Instruments"

Héma-Québec has adopted the recommendations of Section PS 3450, "Financial Instruments". Under this new section which sets out standards for recognition and measurement of all types of financial instruments including derivatives, an entity must provide information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance, as well as the nature and extent of risks arising during the period and at the end of the reporting period, and how those risks are managed. The items included in the scope of the section are classified in one of the following three measurement categories: fair value, cost or amortized cost. Prior period financial statements including information presented for comparative purposes have not been restated. The required disclosures are included in note 15.

4. EXPENSES BY ACTIVITY CENTRE

				2013	2012
	STABLE PRODUCTS	LABILE PRODUCTS	OTHER SERVICES	TOTAL	TOTAL
Stable products	203,215	–	–	203,215	173,406
Salaries and benefits	341	79,110	9,622	89,073	85,178
Medical and blood drive supplies	549	29,998	7,697	38,244	35,366
Building and premises	4	9,004	133	9,141	8,768
Purchased services	1,878	(1,013)	4,829	5,694	5,864
Amortization of tangible capital assets	8	4,937	422	5,367	5,165
Freight and shipping	43	4,120	186	4,349	4,466
Advertising and public relations	1	3,751	182	3,934	4,248
Foreign exchange loss	3,467	227	–	3,694	5,014
Interest on long-term debt	–	1,255	–	1,255	1,383
Insurance	–	760	–	760	1,014
Other interest and bank charges	–	201	–	201	237
(Gain) loss on disposal and sale of tangible capital assets	–	(92)	10	(82)	21
Other expenses	22	8,676	1,032	9,730	9,466
Subtotal	**209,528**	**140,934**	**24,113**	**374,575**	**339,596**
Plasma for fractionation*	10,595	(10,595)			
Change in inventories**	(11,480)	(47)	(389)	(11,916)	(647)
Total	**208,643**	**130,292**	**23,724**	**362,659**	**338,949**

* Some expenses related to plasma for fractionation are incurred for labile products and reallocated to stable products on the basis of costs incurred. The costs are allocated based on units shipped.
** Change in inventories includes labile and stable products, human tissue, and plasma for fractionation.

5. CREDITS ISSUED TO QUÉBEC HOSPITAL CENTRES PERTAINING TO THE PREVIOUS YEAR

The budgeted prices for all blood products are submitted every year to SigmaSanté, which is the body designated by the Minister of Health and Social Services to manage joint supplies under Section VI of the *Act respecting Héma-Québec and the Haemovigilance Committee.* Following consultations with the Procurement and Financing Management Committee (PFMC), the budgeted prices are confirmed by SigmaSanté. The PFMC is an advisory committee to the Québec government's Direction de la biovigilance, which falls under the purview of the Direction générale des services de santé et médecine universitaire. The PFMC's role is to make recommendations on financial and accounting issues relating to the supply of blood products.

At the end of each fiscal year, Héma-Québec adjusts budgeted prices to better estimate the final prices for blood products sold to Québec hospital centres. Within six months following fiscal year-end, Héma-Québec reports to SigmaSanté and the PFMC to obtain approval for the final prices.

6. ACCOUNTS RECEIVABLE

	2013	2012
Sales taxes	1,761	1,621
Trade accounts receivable	1,450	677
Other receivables	621	253
	3,832	**2,551**

7. INVENTORIES HELD FOR SALE

	2013	2012
Stable products	32,703	23,527
Plasma for fractionation	5,162	4,042
Labile products	3,547	3,499
Blood drive equipment	2,105	1,758
Human tissue	818	429
Laboratory equipment	541	558
	44,876	**33,813**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
Trade accounts payable	36,313	19,229
Salaries, accrued vacation and benefits	9,880	7,946
Grants from the Government of Québec	2,000	–
Deferred revenues	977	950
	49,170	**28,125**

9. CREDIT FACILITIES

Héma-Québec is authorized by the Minister of Health and Social Services to establish a borrowing plan under section 78 of the *Financial Administration Act*. Under this borrowing plan, Héma-Québec may borrow over the short term or under credit facilities from financial institutions or the Québec Minister of Finance, as manager of the Financing Fund, and over the long term from the said Minister. The authorized amount for the plan ended March 31, 2013 was 33,000 and the authorized amount for the period beginning April 1, 2013 and ending March 31, 2015 aims to make up funding needs not exceeding 62,000 (borrowed balance 38,797 as at March 31, 2013 and 34,197 as at March 31, 2012). The borrowings provided for under these plans serve primarily to fund bank overdrafts, asset acquisition and renewal, loan renewals and the implementation of product safety improvement projects. Héma-Québec's borrowing terms comprise rates similar or equivalent to Government of Québec rates.

Héma-Québec also has a 15,000 revolving line of credit with a financial institution under terms that may be changed at the bank's option. This line of credit is repayable at any time and was undrawn as at March 31, 2013 and 2012.

10. DEBTS

	2013	2012
Borrowings repayable in monthly instalments of 310 (principal only), at fixed rates ranging from 1.40% to 4.57%, maturing from 2015 to 2023.	14,003	7,735
Borrowings repayable in monthly instalments of 188 (principal only), at fixed rates ranging from 2.62% to 5.17%, renewable from 2016 to 2020 and maturing from 2020 to 2030.	28,533	30,774
	42,536	**38,509**

10. DEBTS (CONT'D)

Assuming renewal under the same terms, principal repayments on debt over the upcoming years are as follows:

2014	8,734
2015	5,748
2016	4,179
2017	3,152
2018	2,980
2019 and thereafter	17,743

11. DESCRIPTION OF EMPLOYEE BENEFIT PLANS

Héma-Québec has several funded and unfunded defined benefit plans to ensure that pension, post-retirement and post-employment benefits are paid to most employees.

The actuarial valuations of the retirement plans were as at December 31, 2011. The accrued benefit obligations shown as at March 31, 2013 and retirement benefit expense for fiscal 2013 are based on an extrapolation of the latest actuarial valuations. The actuarial valuations resulted in certain changes to actuarial assumptions, as well as plan amendments to increase employee contribution rates. The defined benefit plans are based on years of service and final average salary. They also provide for partial indexation of pension benefits based on inflation.

11. DESCRIPTION OF EMPLOYEE BENEFIT PLANS (CONT'D)

Actuarial valuations of the other post-retirement and post-employment benefit plans were carried out as at March 31, 2013 to determine the accrued benefit obligations and retirement benefit expense at that date.

Héma-Québec also has defined benefit plans under which the commitment is limited to the total value of the individual accounts of plan participants.

Actuarial gains and losses are amortized over the expected average remaining service life for active participating employees, which is 12 years for the unionized employee pension plan, 13 years for the non-unionized employee pension plan, 6 years for the supplemental pension plan, 15 years for extended health and life insurance plans and 2 years for post-employment benefits.

ACCRUED BENEFIT OBLIGATION

	2013		2012	
	PENSION PLANS	OTHER PLANS	PENSION PLANS	OTHER PLANS
Accrued benefit obligation, beginning of year	139,677	6,771	115,837	5,695
Current period benefit cost	10,349	2,526	8,880	2,504
Interest expense on obligation	7,754	155	7,100	175
Benefits paid	(5,294)	(2,465)	(3,243)	(2,249)
Cost of plan amendments incurred during the year	222	–	419	–
Actuarial loss (gain)	(2,367)	(879)	10,684	646
Accrued benefit obligations, end of year	**150,341**	**6,108**	**139,677**	**6,771**

11. DESCRIPTION OF EMPLOYEE BENEFIT PLANS (CONT'D)

ACCRUED BENEFIT ASSETS

	2013		2012	
	PENSION PLANS	OTHER PLANS	PENSION PLANS	OTHER PLANS
Market-related value of assets, beginning of year	120,975		108,366	
Employer contributions	9,458		7,029	
Employee contributions	4,225		3,672	
Expected return on plan assets	6,884		6,725	
Benefits paid	(5,294)		(3,243)	
Actuarial loss on plan assets	(1,055)		(1,574)	
Market-related value of assets, end of year	**135,193**		**120,975**	

RECONCILIATION OF FINANCIAL POSITION

	2013		2012	
	PENSION PLANS	OTHER PLANS	PENSION PLANS	OTHER PLANS
Market-related value of assets	135,193	–	120,975	–
Accrued benefit obligation	150,341	6,108	139,677	6,771
Financial position – deficit	**(15,148)**	**(6,108)**	**(18,702)**	**(6,771)**
Net unamortized actuarial losses (gains)	13,782	(5)	16,760	874
Accrued benefit liability, end of year	**(1,366)**	**(6,113)**	**(1,942)**	**(5,897)**

11. DESCRIPTION OF EMPLOYEE BENEFIT PLANS (CONT'D)

CLASSIFICATION OF LIABILITIES RECORDED IN HÉMA-QUÉBEC'S FINANCIAL STATEMENTS

	2013	2012
Pension plans	1,366	1,942
Other plans	6,113	5,897
Total accrued benefit liability	**7,479**	**7,839**

Accrued benefit obligations exceed plan assets for all Héma-Québec plans.

MARKET VALUE OF ASSETS AS MARCH 31 (DEFINED BENEFIT PLANS)

	2013		2012	
Shares	88,240	65%	71,105	61%
Bonds	41,489	30%	39,715	34%
Other	7,189	5%	6,535	5%
Total	**136,918**	**100%**	**117,355**	**100%**

11. DESCRIPTION OF EMPLOYEE BENEFIT PLANS (CONT'D)

ACTUAL RETURN ON PENSION PLAN ASSETS

	2013	2012
Expected return on plan assets	6,884	6,725
Actual return on plan assets	5,829	5,151
Actuarial loss on plan assets	**(1,055)**	**(1,574)**
Rate of actual return	4.66%	4.60%

RETIREMENT BENEFIT EXPENSE

	2013		2012	
	PENSION PLANS	OTHER PLANS	PENSION PLANS	OTHER PLANS
Current period net benefit cost	6,124	2,526	5,208	2,504
Amortization of actuarial losses	1,666	–	516	–
Cost of plan amendments incurred during the year	222	–	419	–
Benefit expense	**8,012**	**2,526**	**6,143**	**2,504**
Interest expense on obligation	7,754	155	7,100	175
Expected return on plan assets	(6,884)	–	(6,725)	–
Retirement benefit interest expense	**870**	**155**	**375**	**175**
Benefit expense	**8,882**	**2,681**	**6,518**	**2,679**

11. DESCRIPTION OF EMPLOYEE BENEFIT PLANS (CONT'D)

SIGNIFICANT ASSUMPTIONS

	2013		2012	
	PENSION PLANS	OTHER PLANS	PENSION PLANS	OTHER PLANS
Accrued benefit obligation as at March 31				
Discount rate	5.50%	3.00%	5.50%	3.10%
Rate of compensation increase	3.75%	3.75%	3.75%	3.75%
Inflation rate	2.50%	–	2.50%	–
Benefit expense for the years ended March 31				
Discount rate	5.50%	3.10%	6.00%	4.20%
Expected rate of return on plan assets	5.50%	–	6.00%	–
Rate of compensation increase	3.75%	3.75%	3.50%	3.50%

The assumptions regarding demographic mortality factors are based on 95% of the sex-distinct UP-94 generational table projected with Scale AA, with a Scale AA increase: 110% men and 120% women for the fiscal year ended March 31, 2013 (sex-distinct UP-94 Table projected with Scale AA to 2015 for the fiscal year ended March 31, 2012).

12. TANGIBLE CAPITAL ASSETS

2013							
	LAND	BUILDING, BETTERMENT AND LEASEHOLD IMPROVEMENTS	MACHINERY, AUTOMOTIVE AND OTHER EQUIPMENT	OFFICE FURNITURE AND EQUIPMENT	COMPUTER HARDWARE	SOFTWARE TOOLS AND PACKAGES	TOTAL
Cost of tangible capital assets							
Opening balance	2,140	38,497	20,334	4,282	6,204	9,749	81,206
Acquisitions	–	1,039	661	7	2,441	1,718	5,866
Disposals	–	–	(632)	–	(209)	(84)	(925)
Closing balance*	**2,140**	**39,536**	**20,363**	**4,289**	**8,436**	**11,383**	**86,147**
Accumulated amortization							
Opening balance	–	15,312	12,231	3,681	5,018	7,674	43,916
Amortization expense	–	2,009	1,510	231	957	660	5,367
Impact of disposals	–	–	(165)	–	(207)	(84)	(456)
Closing balance	**–**	**17,321**	**13,576**	**3,912**	**5,768**	**8,250**	**48,827**
Net book value	**2,140**	**22,215**	**6,787**	**377**	**2,668**	**3,133**	**37,320**

2012							
	LAND	BUILDING, BETTERMENT AND LEASEHOLD IMPROVEMENTS	MACHINERY, AUTOMOTIVE AND OTHER EQUIPMENT	OFFICE FURNITURE AND EQUIPMENT	COMPUTER HARDWARE	SOFTWARE TOOLS AND PACKAGES	TOTAL
Cost of tangible capital assets							
Opening balance	2,140	38,021	19,336	4,261	6,725	9,165	79,648
Acquisitions	–	476	1,365	89	711	951	3,592
Disposals	–	–	(367)	(68)	(1,232)	–	(1,667)
Abandonment	–	–	–	–	–	(367)	(367)
Closing balance*	**2,140**	**38,497**	**20,334**	**4,282**	**6,204**	**9,749**	**81,206**
Accumulated amortization							
Opening balance	–	13,260	10,898	3,494	5,532	7,209	40,393
Amortization expense	–	2,052	1,675	255	718	465	5,165
Impact of disposals	–	–	(342)	(68)	(1,232)	–	(1,642)
Closing balance	**–**	**15,312**	**12,231**	**3,681**	**5,018**	**7,674**	**43,916**
Net book value	**2,140**	**23,185**	**8,103**	**601**	**1,186**	**2,075**	**37,290**

* The accumulated cost of work in progress as at March 31, 2013 totalled 1,811, of which 1,460 was included in software tools and packages and 351 in building, betterment and leasehold improvements (713 as at March 31, 2012 included in software tools and packages).

13. PREPAID EXPENSES

	2013	2012
Municipal and school taxes	566	558
IT licenses and support contracts	526	205
Insurance	467	108
Other	428	375
	1,987	**1,246**

14. DEFERRED CHARGES

Under an emphyteutic lease, Héma-Québec initially paid 1,875 for the right to occupy premises at Université Laval for a thirty-year term expiring in 2034. Amortization for the period was 60 (60 in 2012) and was recognized in the statement of operations under Other expenses. Accumulated amortization on a straight-line basis amounted to 599 (539 in 2012).

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

RISK MANAGEMENT

In the normal course of operations, Héma-Québec is exposed to various financial risks, described below. Management assesses these risks and implements strategies to minimize their impact on its performance.

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will not fulfill an obligation to or a commitment with Héma-Québec. Héma-Québec's financial instruments exposed to credit risk include cash and cash equivalents, and trade accounts and other receivables.

Credit risk associated with cash and cash equivalents is limited as the counterparty is a Canadian chartered bank with a high credit rating from national rating agencies.

Credit risk arising from trade accounts and other receivables is limited as the main receivables are associated with the sale of cord blood and human tissue or services mainly for government organizations included in the Government of Québec's reporting entity, or the reclassification of debit balances related to accrued liabilities.

The carrying value in the statement of financial position of Héma-Québec's credit risk represents the maximum amount of credit risk to which the organization is exposed and totals 32,436 (18,737 in 2012). None of these financial instruments was written down and management estimates that the credit quality of all instruments which have not been written down or are past due is strong as at the date of the financial statements.

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

Liquidity risk is the risk that Héma-Québec may not have the necessary funds to meet its financial obligations. Héma-Québec actively manages its cash balance and its cash flows that arise from its operations to be in a position to meet its financial obligations. As at March 31, 2013, contractual maturities of financial liabilities were as follows:

	2014	2015	2016 AND THEREAFTER
Trade accounts payable, salaries and accrued vacation	44,439		
Advance from the Government of Québec	10,818		
Interest payable on debt	102		
Debt	8,734	5,748	28,054
Total non-derivative financial instruments	**64,093**	**5,748**	**28,054**
Derivative financial instruments	(794)		
Total financial instruments	**63,299**	**5,748**	**28,054**

Market risk

Interet rate risk:

Interest rate risk is the risk that debt servicing will vary according to interest rate fluctuations. Long-term and short-term loans, where applicable, are at fixed rates. Since Héma-Québec does not intend to repay them in advance, the interest rate risk is minimal.

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

A 0.5% increase or decrease in interest rates (0.5% as at March 31, 2012) would not impact the annual operating surplus or the remeasurement gains and losses for the years ended March 31, 2013 and 2012.

Currency risk:

In the normal course of operations, Héma-Québec purchases its stable products primarily in U.S. dollars and is therefore exposed to currency fluctuations.

Héma-Québec has established a currency risk management policy and enters into derivative financial instruments to manage currency risk exposures particularly through foreign exchange contracts. To manage the currency risk related to the purchase of stable products and medical and blood drive supplies, Héma-Québec entered into 26 foreign exchange contracts to purchase 90% of its expected foreign currency commitments in the amount of 142,000 at a rate of 1.01041 for the period from April 4, 2013 to March 18, 2014 (in 2012, 26 foreign exchange contracts in the amount of 142,000 at a rate of 1.02575 for the period from April 2, 2012 to March 21, 2013).

As at March 31, 2013, unrealized gains on foreign exchange contracts in the amount of 794 were recorded in the statement of remeasurement gains and losses (losses valued at 4,011 as at March 31, 2012) and were measured based on the difference between the foreign currency purchase contract rates and the quoted price rate of 1.016 (unadjusted) in active markets for identical instruments, as at March 31, 2013 (0.9975 as at March 31, 2012).

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONT'D)

The statement of financial position includes the following amounts in Canadian dollars with respect to financial assets and liabilities denominated in foreign currencies:

	2013	2012
U.S. dollars:		
Cash	4,306	2,721
Accounts payable and accrued liabilities	20,970	4,090
Euros:		
Accounts payable and accrued liabilities	–	5

A 3% change in the U.S. dollar exchange rate (4% in 2012), corresponding to market volatility in the last 12 months, would not have any material impact on the annual operating surplus or the remeasurement gains and losses, taking into account the financial assets and liabilities denominated in foreign currencies by Héma-Québec as at the date of the financial statements.

Fair value measurement hierarchy

The fair value financial asset category is only comprised of derivatives, which are classified as Level 2 of the fair value measurement hierarchy (the fair value of derivatives being based on quoted prices (unadjusted) in active markets for identical financial assets).

16. CONTRACTUAL OBLIGATIONS

Héma-Québec has entered into long-term leases expiring at various dates over the next twenty-three years for its operating and administrative premises. In some instances, the leases for premises include a renewal option of up to five years.

Lease expenses for the premises for the year ended March 31, 2013 amounted to $2,342 ($2,275 in 2012). Future minimum payments under long-term leases are as follows:

2014	2,221
2015	1,923
2016	1,910
2017	1,684
2018	1,665
2019 and thereafter	25,394

17. CONTINGENCIES

Héma-Québec is exposed to various claims and legal actions in the normal course of operations. Management believes the potential outlays in the amount of 77 arising from those disputes to be adequately provisioned and foresees no adverse material effect on the financial position or results of Héma-Québec. The provision is established based on amounts claimed, plus related charges and/or probable settlement estimates, if any.

18. RELATED PARTY TRANSACTIONS

In addition to the related party transactions already disclosed in the financial statements and measured at the exchange amount, Héma-Québec is related to all government departments, special funds, agencies and enterprises controlled directly or indirectly by the Government of Québec or subject to joint control or common significant influence by the Government of Québec. Héma-Québec has not entered into any commercial transactions with these related parties that were not in the normal course of operations and subject to business terms that are usual and customary. These transactions are not disclosed separately in the financial statements.

19. COMPARATIVE FIGURES

Certain prior-year figures have been reclassified to conform to current-year presentation.

The 2012–2013 annual report is published by
Héma-Québec's Corporate Affairs division.

Edition
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This document is available only in an electronic version.

Legal deposit
Bibliothèque et Archives nationales du Québec, 2013
Library and Archives Canada, 2013

ISSN 1929-5308 (PDF version)

Héma-Québec's licence numbers
100862-A (Montréal facility)
100862-B (Québec City facility)

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Blood Products

Stem Cells

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