



EVERY GESTURE COUNTS



BLOOD PRODUCTS
STABLE PRODUCTS
STEM CELLS
HUMAN TISSUES
MOTHER'S MILK

2019–2020 ANNUAL REPORT

MISSION

To efficiently meet the needs of the Québec population for quality blood and other biological products of human origin.

VISION

To become a strategic partner for the Québec health system.



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2019

THE YEAR


AT A GLANCE



254,193

blood, plasma, stem cell,
human tissue and mother's milk

DONORS



818,568

**PRODUCTS
DISTRIBUTED**
(all types of products)



\$428M

**ANNUAL
REVENUES**



1,418

EMPLOYEES

Héma-Québec
ranks

NUMBER ONE
on the Forbes 2020 list
of best employers in
the healthcare sector in
Québec –
500+ employees

Maintained
100%
of blood collection and
distribution activities
despite the COVID-19
pandemic

LEADERS' MESSAGE



Every Gesture Counts

Every Donation Counts. With this slogan, Héma-Québec focused its 2019–2020 awareness-raising campaign on the importance of donating biological products of human origin. The campaign was a success thanks to the generous participation of medical graduate and professional football player Laurent Duvernay-Tardif. The offensive guard of the Kansas City Chiefs capped an outstanding year, winning the Super Bowl with his teammates in winter 2020. Héma-Québec also experienced a winning year, in other ways. The title of the 2019–2020 annual report **Every Gesture Counts** is a nod to the clear success of our campaign...

This title also aptly sums up the very essence of the last fiscal year. Every action and every gesture made had relevance and importance within the overall vision, in keeping with the planned evolution of the organizational model. Considerable strides were made in the structural review, begun several months ago. Work continued on the composition of the vice-presidencies. Each area of expertise played a part in helping implement best practices.

The fiscal year also saw renewed vitality in the board of directors, with the nomination of four new members in January 2020. Stéphanie Austin, representing the scientific research community, Réal Couture, designated by the Ordre des comptables professionnels agréés du Québec, Jacques Gédéon, representing donors, and Daniel Tremblay, from the group of recipients, joined their skills and talent to those of the other board members. We are delighted to welcome them and to acknowledge their contribution.

Changes occurred beyond the boardroom too. The population of Québec is also evolving. We see this reflected in the composition of our pools of donors and volunteers. The women and men who make up our team come from ever more varied backgrounds. We are firmly convinced that being open to cultural diversity and inclusion has beneficial effects for the future of our organization and the relationship we enjoy with all of Québec society.

The dynamic relationship between the board of directors and the executive committee was marked by synergy and

collaboration. There were many discussions, at times lively but always based on mutual respect. Board members and management share the common objective to put in place a business model for the greater good of the organization and its vital mission.

Special attention was paid to aspects of governance. Long-time readers of the annual report will notice additions to the section on governance, all in the spirit of the recommendations made by the Institut sur la gouvernance (IGOPP), a key reference source on private and public sectors.

Speaking of key organizations and people, we would like to recognize the contribution of an exceptionally committed woman, Martine Carré. In December, after many years of extraordinary dedication and invaluable service, she passed on the mantle of the chair of the board of directors. Martine joined the board in 2007 as the representative of recipients. Elected as board chair by her peers in January 2013, she helped steer the organization during a pivotal period in its young history. During her tenure, Héma-Québec asserted its mission as a supplier of biological products of human origin, added to its mandate the management of a public mother's milk bank, consolidated its plasma collection activities and broadened its human tissue activities to become the largest public bank of its kind in the country.

This major initiative occurred just a few weeks before COVID-19 turned everyone's daily life upside down. The pandemic was a true test of the organization, its ongoing activities, and its governance. The management team found itself combining its recently shared experience to confront extraordinary circumstances.

Exceptional moments reveal the strengths and limitations of organizations and the individuals that comprise them. Héma-Québec's team was faced with finding a solution to a situation that seemed contradictory: continue operations that bring people together in one location at the same time while the watchword was "stay home and isolate to keep safe".

The solution would require agility, cohesion and relevance. The importance of Héma-Québec's mission and the unforeseen repercussions of the pandemic demanded quick responses that were up to the challenges of the moment. The board of directors recognized the excellent performance of Héma-Québec's management team in handling the first wave of the crisis.

Each year, Héma-Québec delivers more than 818,000 biological products of human origin to Québec hospitals to meet the needs of patients. Close to 255,000 donors, in addition to thousands of volunteers at blood drive sites, make it possible for Héma-Québec to fulfill its mission to efficiently meet the

needs of the Québec population for quality blood and other biological products of human origin.

Aside from some recruitment activities of stem cell and mother's milk donors, our organization pursued its operations while large sectors of society were forced to shut down.

We succeeded thanks to the support and trust of our partners in the gift of life, and to the expertise developed by our staff. In this time of pandemic, as in normal times, the safety of the supply of blood and biological products of human origin is paramount. The goal of the supply system for these products is to provide safe treatments to those in need. This motivation was the very foundation upon which Héma-Québec was created, and it remains at the heart of everything we do.

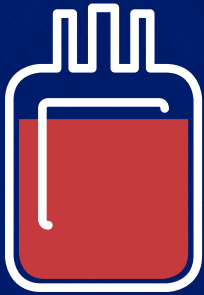


Anne Bourhis
Chair of the Board of Directors



Nathalie Fagnan
President and Chief Executive Officer

SECTORS OF ACTIVITY



BLOOD PRODUCTS

Blood is the fluid that flows through the body's veins and arteries.

It is made up of plasma, in which three types of cells are suspended: red blood cells, white blood cells and platelets.

Every 80 seconds, someone in Québec needs blood. It may be following an accident, during surgery or to treat an illness.



STABLE PRODUCTS

Stable products are medications that are manufactured primarily from plasma, the liquid part of blood that transports blood cells and nutrients in the body.

Thousands of Quebecers need plasma to treat various illnesses, including neurological disorders, immune deficiencies and other diseases, such as hemophilia.



STEM CELLS

Stem cells are the "parent" cells from which all other blood cells develop.

They are found in bone marrow, the peripheral (circulating) blood and umbilical cord blood.

For some diseases, stem cell transplants are the only chance of survival. Some diseases cause the destruction or abnormal functioning of the bone marrow. The treatment of last resort consists of replacing the patient's stem cells with those of a healthy person.



HUMAN TISSUES

Human tissues – e.g., ocular tissues, heart valves, skin tissues, arterial tissues and musculoskeletal tissues – can be collected for transplantation purposes.

One tissue donation can help up to 20 people, whether to restore sight with a corneal transplant or to treat a serious burn victim with skin grafts.



MOTHER'S MILK

Human milk from a bank is particularly beneficial for infants born extremely preterm who cannot be breastfed by their mother.

It reduces the risk of developing a serious intestinal disease.

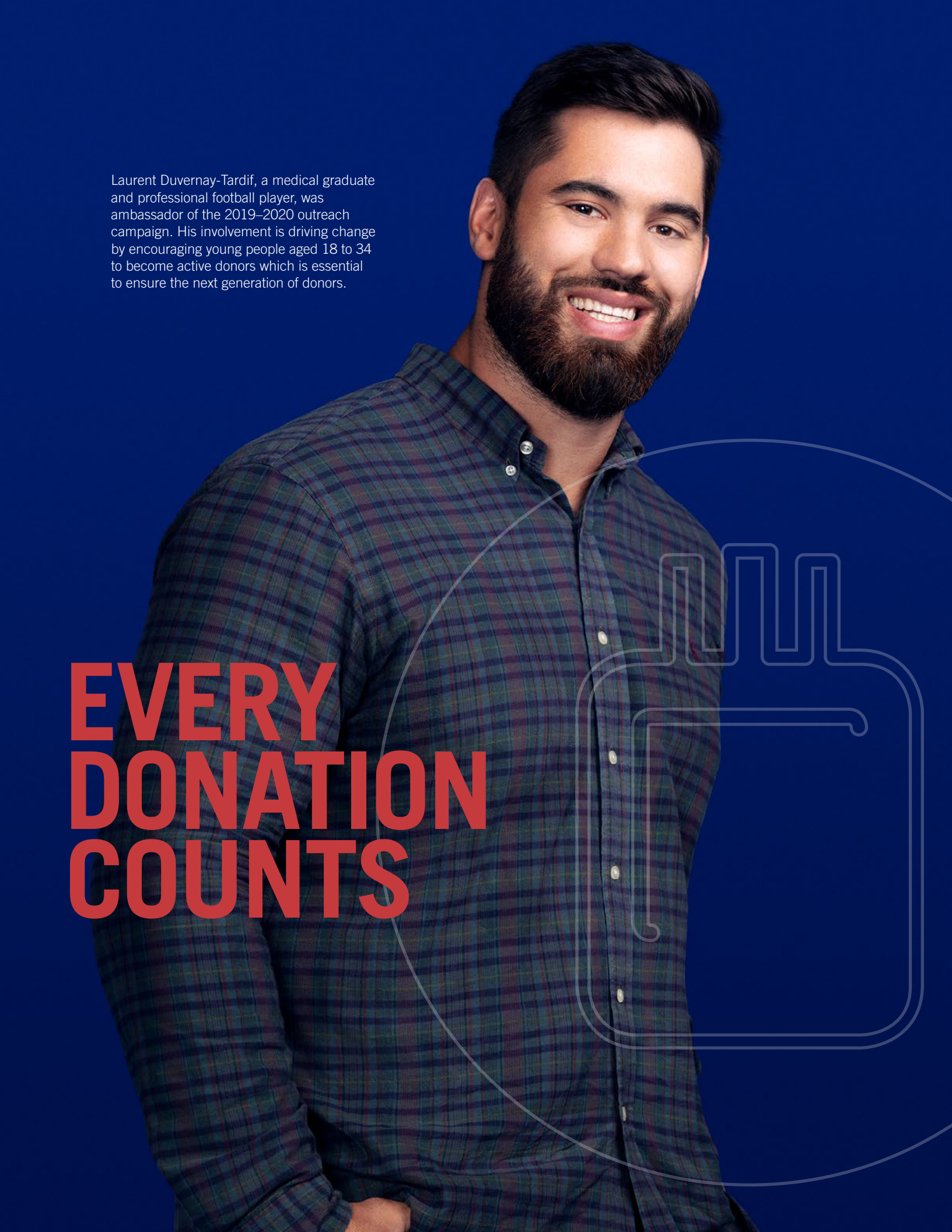


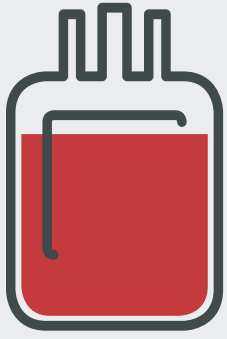
JE REÇOIS

DONNEZ DU SANG. DONNEZ

Laurent Duvernay-Tardif, a medical graduate and professional football player, was ambassador of the 2019–2020 outreach campaign. His involvement is driving change by encouraging young people aged 18 to 34 to become active donors which is essential to ensure the next generation of donors.

EVERY DONATION COUNTS





BLOOD PRODUCTS

As the exclusive supplier of blood products in Québec, Héma-Québec is responsible for recruiting donors and for collecting, testing, processing and delivering products to hospitals.

IN NUMBERS



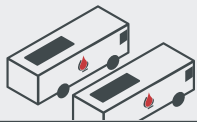
366,438

VISITS
to collection sites
(all types of donations)



180,540

**REGISTERED
DONORS**
(all types of donations)



2,287

**BLOOD
DRIVES**
(including blood drives
in mobile units)



1.54

**WHOLE BLOOD
DONATIONS**
on average per donor



308,652

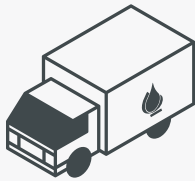
**BLOOD
PRODUCTS**
delivered to hospitals

FROM DONATION TO DISTRIBUTION



DONATION

The blood collection lasts about ten minutes. In addition to the blood bag, sample tubes are collected for testing.



TRANSPORTATION

The blood bags and samples are sent to one of Héma-Québec's laboratories.



ANALYSES

The samples are sent to a qualification lab to determine the donor's blood group and to screen for the presence of infections.



SEPARATION OF BLOOD

The blood is separated into its different components (red blood cells, platelets, plasma).



STORAGE

Compliant products are labelled and stored, ready to be sent to hospitals.



DELIVERY

The products are delivered to hospitals. The components used vary depending on patients' needs.

Blood product supply strategy

Héma-Québec's blood product supply strategy aims to improve the efficiency of operations while maintaining a safe and sufficient high-quality supply. The strategy is structured around the following strategic choices:

- increasing the number of collections in donor centres;
- increasing self-sufficiency in plasma destined for the manufacture of medications (plasma for fractionation);
- developing a culture focused on continuous improvement, problem-solving and accountability;
- being attentive to the needs of hospital partners and clients.

Results for whole blood donations

In 2019–2020, the number of whole blood donations increased by 2.7% compared with the previous year. The 2019–2020 results were similar to those of 2015–2016 and represent the first rise in donations after two years of decline. On average, a blood donor gives 1.54 times a year. By whole blood, we mean blood collected as is and separated in the laboratory into its various components: plasma, platelets and red blood cells.

VISITS

2015–2016	263,511
2016–2017	268,222
2017–2018	254,504
2018–2019	252,064
2019–2020	256,784

REGISTERED DONORS¹

2015–2016	159,684
2016–2017	164,178
2017–2018	159,122
2018–2019	156,728
2019–2020	164,185

DONORS WHO DONATED

2015–2016	140,454
2016–2017	141,491
2017–2018	137,387
2018–2019	136,908
2019–2020	144,081

DONATIONS

2015–2016	223,268
2016–2017	226,693
2017–2018	216,642
2018–2019	216,639
2019–2020	222,470

DONORS WHO DID NOT DONATE²

2015–2016	40,243
2016–2017	41,529
2017–2018	37,862
2018–2019	35,425
2019–2020	34,314

NEW REGISTERED DONORS

2015–2016	33,458
2016–2017	36,775
2017–2018	35,530
2018–2019	35,007
2019–2020	37,028

¹ Donors who attended a blood drive at least once.

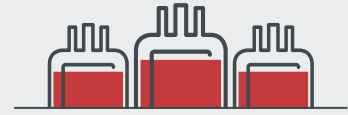
² Donors who did not give blood correspond to registrations for which no blood was collected, but for which an exclusion was issued the same day or within seven days of registration.

Profile of new registered donors

Blood donor recruitment remains a constant challenge to ensure that the organization fulfills its mission. In the past year, strategies to recruit new donors have enabled Héma-Québec to increase the pool of young donors, as well as of donors from Black communities. See more information on page 45.

- 2% increase in young donors aged 18 to 34 from 52,936 in 2018–2019 to 54,215 in 2019–2020.
- By appealing to leaders and influencers in Black communities, Héma-Quebec increased the number of donors from these communities by 8%, from 1,750 in 2018–2019 to 1,883 in 2019–2020.

In 2019–2020



**THE NUMBER OF
BLOOD DONATIONS
INCREASED BY**

2.7%

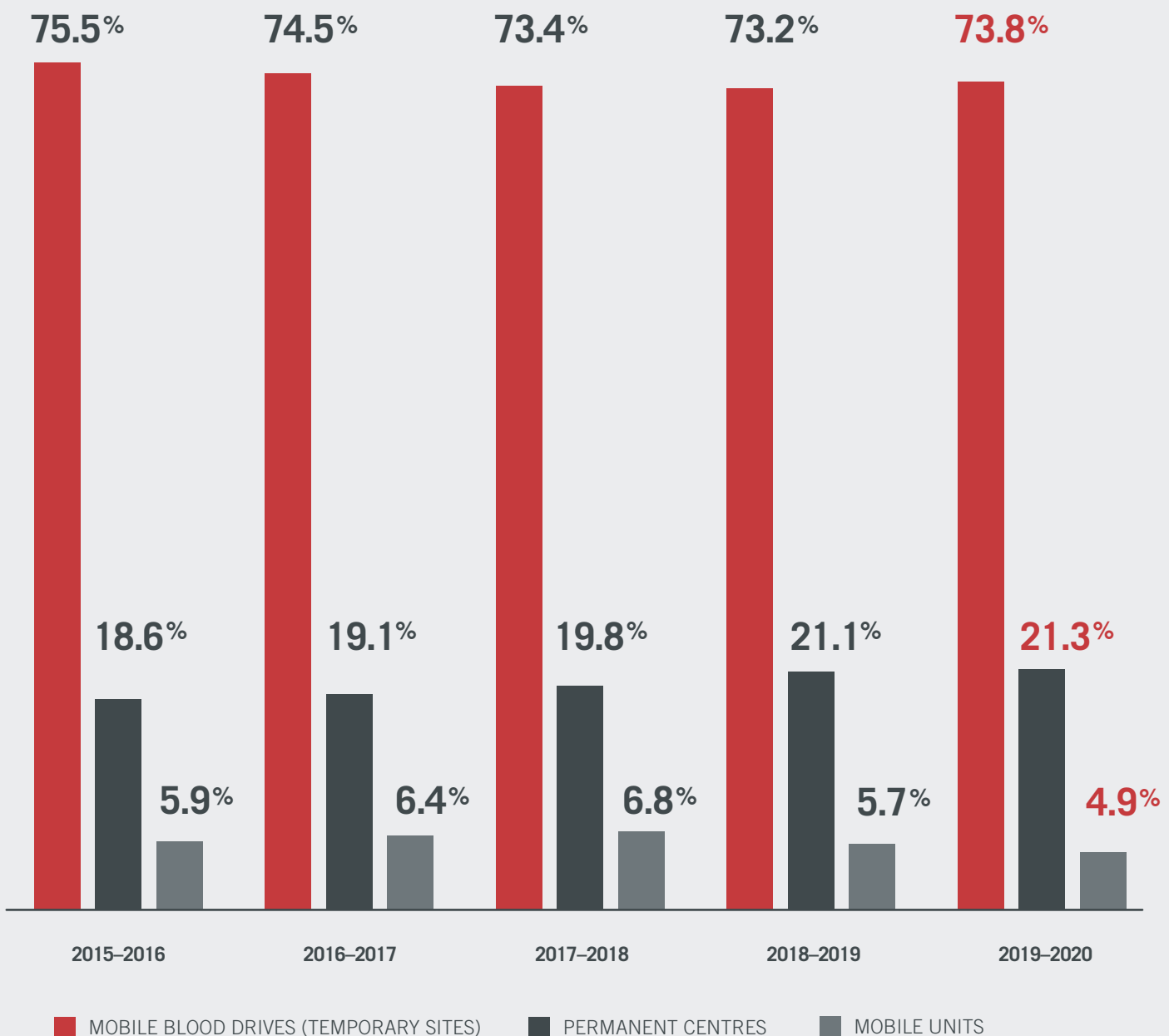
after a two-year decline



By meeting donors, Érich-Étienne (also known as Preach) demystifies concerns and preconceived ideas about donating blood.

Distribution of whole blood collections

Efforts to increase the number of whole blood donations in donor centres are ongoing.





Denise, donor,
and Julie, nurse.

Collection in GLOBULE Centres

Thanks to apheresis donations, GLOBULE Blood Donor Centres are able to collect targeted products based on needs. This type of donation involves the use of an apheresis machine, equipped with a single-use sterile collection device that receives the donor's blood, separates it into its various components, directs one or more targeted components into a collection bag, and returns the rest to the donor.

PRODUCTS COLLECTED IN GLOBULE BLOOD DONOR CENTRES

	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020
Whole blood	41,578	43,319	43,045	45,581	47,463
Platelets by apheresis	36,980	37,950	36,521	38,463	39,678
Platelets by apheresis 500 ml	8,676	– ¹	–	–	–
Platelets by apheresis 750 ml	4,550 ²	12,619	14,164	20,127	23,395
Red blood cells (packed) by apheresis	4,594	3,911	3,871	3,637	2,265
Plasma by apheresis 250 ml (including MC ³)	22,044	23,210	21,834	21,085	20,116
Granulocytes ⁴	38	37	150	45	95
Total products collected	118,460	121,046	119,585	128,938	133,012

¹ Plasma collections at the Québec City GLOBULE centre are now 750 ml and destined for fractionation.

² Corresponds to the fiscal year during which plasma collections destined for fractionation began.

³ Donations made by multiple collections (MC).

⁴ Héma-Québec is the sole distributor of these blood products Canada-wide. This explains the difference between the number of units distributed to Québec hospitals and the number of products collected.

Stabilization of demand

The total number of blood products delivered to hospitals was once again higher than the low observed in 2017–2018, indicating that the downward trend seen since 2012–2013 is turning around. Deliveries of platelets increased by 1%, while demand for plasma used for transfusion remained stable. Héma-Québec continued to meet all the needs of hospitals.

BLOOD PRODUCTS DELIVERED TO HOSPITALS

	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020
Whole red blood cells (packed)	219,315	212,705	205,888	207,235	205,330
Platelet pools ¹	5,632	3,853	3,797	3,277	3,255
Platelets collected by apheresis	33,853	35,161	34,198	36,569	37,401
Total platelets²	39,485	39,014	37,995	39,846	40,656
Plasma from whole blood 250 ml	15,207	29,280	25,287	27,715	29,962
Plasma collected by apheresis 250 ml	14,323	7,940	7,488	5,073	2,300
Plasma collected by apheresis 500 ml	2,834	45	– ⁴	– ⁴	– ⁴
Equivalent plasma (apheresis 500 ml × 2) ³	5,668	90	– ⁴	– ⁴	– ⁴
Total plasma⁵	35,198	37,310	32,775	32,788	32,262
Granulocytes⁶	30	13	60	31	3
Cryoprecipitates	23,335	25,542	25,494	27,255	29,661
Cryoprecipitate supernatants	2,733	1,914	2,708	3,781	740
Grand total	320,096	316,498	304,920	310,936	308,652

¹ Platelets from five whole blood donations pooled together (one pool is equal to five buffy coats to which one plasma is added).


² “Total platelets” is the sum of “platelet pools” and “platelets collected by apheresis.”

³ “Equivalent plasma” corresponds to “plasma collected by apheresis 500 ml” multiplied by 2. This makes it possible to have representation of the equivalent demand with the other plasma products delivered that have a volume of 250 ml.

⁴ Plasma collections at the GLOBULE centres in Québec City are destined for fractionation.

⁵ “Total plasma” is the sum of “plasma from whole blood 250 ml,” “plasma collected by apheresis 250 ml” and “equivalent plasma (apheresis 500 ml × 2).”

⁶ The number of granulocytes corresponds to the number distributed exclusively in Québec hospitals.



Justin, a recipient
of plasma-derived
products.

EVERY CONTRIBUTION COUNTS



STABLE PRODUCTS

Héma-Québec is the exclusive distributor of stable products for Québec. It is responsible for supply strategies, the purchase of medications manufactured primarily from plasma, the management of the inventory and distribution to hospitals. It also looks after donor recruitment, collection and testing, and sending a part of the plasma it collects for fractionation.

IN NUMBERS



15,503

registered
PLASMA
DONORS



120,088

LITRES OF PLASMA
destined for the manufacture
of medications



immunoglobulin
SELF-SUFFICIENCY

21.4%



504,510

STABLE PRODUCTS
delivered

FROM DONATION TO DISTRIBUTION



DONATION

Plasma donations are collected in donor centres, by appointment. The collection lasts approximately 45 minutes. Plasma can be donated every six days, up to 50 times a year.



FREEZING

Plasma is quickly frozen after collection. The faster it is frozen, the more protein can be extracted from it.



ANALYSES

Collections are sent to the qualification laboratory. All donations are tested.



FRACTIONATION

The plasma is sent to fractionation plants. These high-tech plants extract the proteins and use them to manufacture medications.



RETURN OF PRODUCTS TO HÉMA-QUÉBEC AND STORAGE

The finished products are then returned to Héma-Québec and stored, ready for shipment to hospitals.



DELIVERY

The products are delivered to hospitals.

Plasma collection

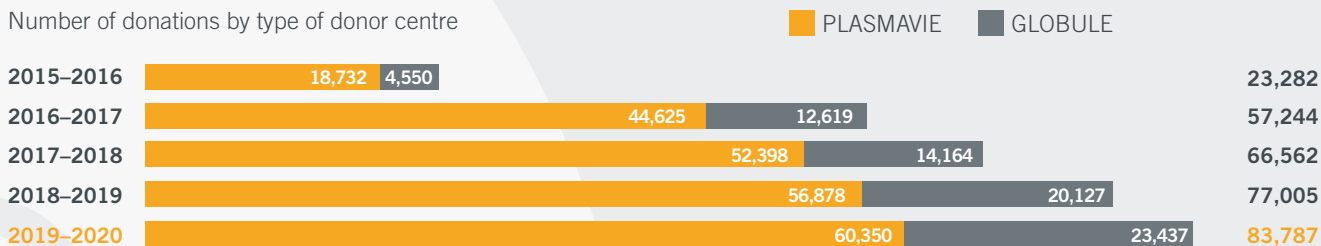
Héma-Québec ensures its supply of plasma by focusing mainly on its network of PLASMAVIE Plasma Donor Lounges that specialize in plasma donation. The two GLOBULE Blood Donor Centres in Québec City also contribute to plasma donations.

This year, the number of registered donors increased by 10.3%, while the number of donations increased by 8.8%.

Donor recruitment is a key element of the plasma self-sufficiency strategy. Various programs have been implemented to create a habit of donating. The Association des bénévoles du don de sang (ABDS) contributes significantly to recruiting donors. Efforts have also been made to increase the number of new plasma donors.

PLASMA DONATIONS DESTINED FOR THE MANUFACTURE OF MEDICATIONS

Number of donations by type of donor centre



14,351
DONORS MADE
83,787
DONATIONS

5.8
DONATIONS
ON AVERAGE PER
DONOR PER YEAR

PLASMA DONATIONS
IN QUÉBEC
INCREASED
3.6 TIMES
IN 5 YEARS

27%
OF PLASMA DONATIONS
CAME FROM
NEW DONORS

13%
INCREASE
IN YOUNG
DONORS AGED
18 TO 34

Improving the self-sufficiency of plasma destined for the manufacture of medications

Immunoglobulins constitute the most used plasma-derived products in Québec. In 2019–2020, the volume of plasma sent for fractionation made it possible to meet 21.4% of immunoglobulin needs in Québec; the remaining portion came from abroad. In 2019–2020, this amount was 120,088 litres, compared with 113,149 litres in 2018–2019, an increase of 6.1%. Because of the increased demand for immunoglobulins, the self-sufficiency rate has remained stable: the increase in plasma donations in Québec in recent years has allowed Héma-Québec to meet only the growing demand for immunoglobulins.

QUANTITY OF PLASMA SENT FOR FRACTIONATION

Litres



IMMUNOGLOBULINS SELF-SUFFICIENCY RATE*



*Based on the amount of plasma sent for fractionation vs. the distribution of immunoglobulins during the year.



Usually performed in PLASMAVIE lounges, plasma donations by apheresis can also be made in some GLOBULE centres, such as the one here in the Lebourgneuf district of Québec City.

Distribution of stable products to hospitals

Héma-Québec distributes some 50 different stable products. This activity represents a major portion of the budget, i.e., 63% of total expenditures.

Intravenous (IVIg) and subcutaneous (SCIg) polyvalent immunoglobulins

Immunoglobulins are the most sought-after stable products. The aim of the organization is to increase their sufficiency. Immunoglobulins contain essential antibodies that act on the immune system to help the body fight off bacteria and viruses. They can also be used to treat many health conditions in patients with immunodeficiencies or some neurological disorders.

The distribution of immunoglobulins has steadily increased in recent years, more specifically 32.3% since 2015–2016. In 2019–2020, it grew by 4.5%.

Grams



Recombinant factor VIII

Recombinant factor VIII, destined for hemophiliacs, is the second stable product most in demand. Its distribution saw an increase of 19.3% in 2019–2020 and a growth of 51% since 2015–2016.

International units




4.5%

INCREASE
in the distribution
of immunoglobulins
in 2019–2020

19.3%

INCREASE
in the distribution of
recombinant factor VII
in 2019–2020



Lucas, a stem cell
transplant recipient.

**EVERY
EFFORT
COUNTS**



STEM CELLS

STEM CELL DONOR REGISTRY

Héma-Québec is responsible for donor recruitment, qualification and management of the Stem Cell Donor Registry for Québec, a computerized bank of more than 51,000 individuals who could eventually be called upon to donate their stem cells for a patient.

The registry is linked to the international donor bank of the World Marrow Donor Association (WMDA), which provides access to more than 37 million potential stem cell donors. In 2020, the registry received accreditation from the WMDA, certifying that it complies with the highest international standards.

IN NUMBERS



51,032

**REGISTERED
DONORS**



2,055

**REGISTRATIONS
RECEIVED**



132

QUEBECERS
received an unrelated transplant
(including 28 from cord blood)



4

QUEBECERS
donated stem cells
(3 of these donations were destined for a
patient in a Québec hospital)

STEM CELL DONATION: STEP BY STEP



REGISTRATION

Any person who qualifies registers in the Registry and receives a buccal swab collection kit in the mail.



DETERMINATION OF GENETIC PROFILE AND ADDITION TO THE REGISTRY

Samples returned to Héma-Québec are used to determine the genetic profile of the potential donor, who is then added to the international registry.



ANALYSES AND CONFIRMATION OF COMPATIBILITY

If a person is potentially compatible with a patient, Héma-Québec conducts advanced tests to confirm his or her genetic compatibility with that of the patient's.



PREPARATION OF THE DONATION

The potential donor undergoes a general physical examination to confirm if he or she is healthy enough to make the donation.



STEM CELL DONATION

If all conditions are met, the donation takes place. Two types of donations are possible: bone marrow or peripheral stem cells.



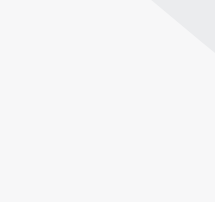
POST-DONATION FOLLOW-UP

The donor is followed up until full recovery.

PATIENT IN NEED OF A STEM CELL TRANSPLANT



For some patients, a stem cell transplant is the only chance for survival.



THE PATIENT IS TRANSPLANTED

The transplant occurs approximately 24 to 48 hours after the donation.



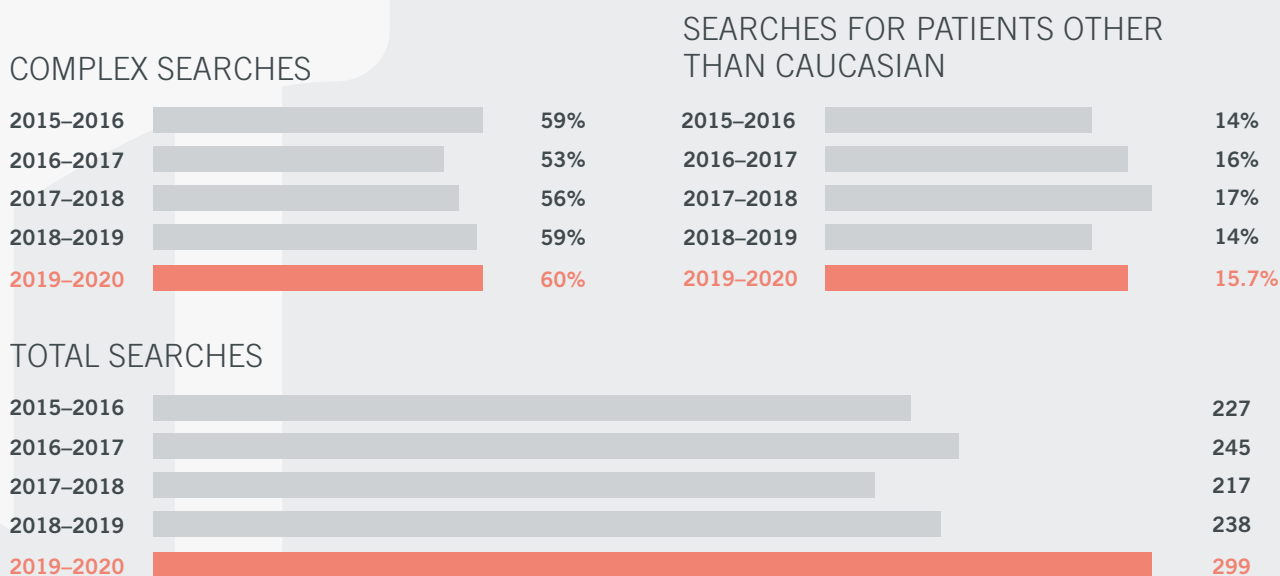
Search for compatible donors

Héma-Québec becomes involved when no family member is found to be compatible and the physician of a patient awaiting a bone marrow transplant requests that a search be conducted for an unrelated donor. This year, the Héma-Québec registry team handled almost 300 requests.

In addition, the number of donor searches for patients other than Caucasian increases from year to year, reflecting the growing diversity of Québec's population. The increase in complex searches shows the importance of having a registry that represents greater diversity.

A search is considered to be complex when it is impossible to find a perfectly compatible donor or when only one perfectly compatible donor is found.

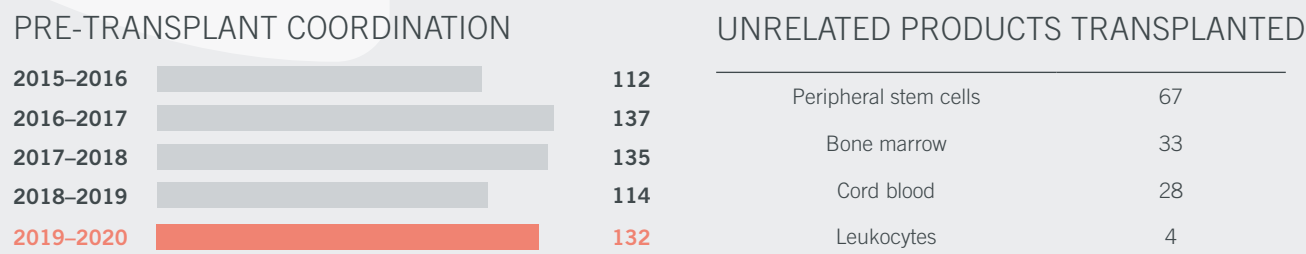
Searches for compatible donors has increased by 31.7% in the last 5 years.



Pre-transplant coordination service

During 2019–2020, the registry team facilitated the distribution of 132 products destined for Québec patients. It also collaborated with hospital transplant teams by facilitating communication with international registries.

Following a decline in 2018–2019, the number of products distributed by Héma-Québec returned to the trend observed during the period from 2016 to 2018. The table showing the number of unrelated products transplanted highlights a marked preponderance of donations from donors enrolled in local or international stem cell donor registries. This was the case with 100 of the 132 products transplanted.



PUBLIC CORD BLOOD BANK

The Public Cord Blood Bank provides access to a complementary source of stem cells, other than those from bone marrow or peripheral blood, and it is an integral part of Héma-Québec's Stem Cell Donor Registry. Umbilical cord blood is very rich in stem cells.

Héma-Québec is responsible for donor recruitment and the processing and banking of cord blood units. It is the first operational public cord blood bank in Canada.

IN NUMBERS



4,498

**MOTHERS
REGISTERED**

in the Public
Cord Blood Bank



11,254

**UNITS
BANKED**

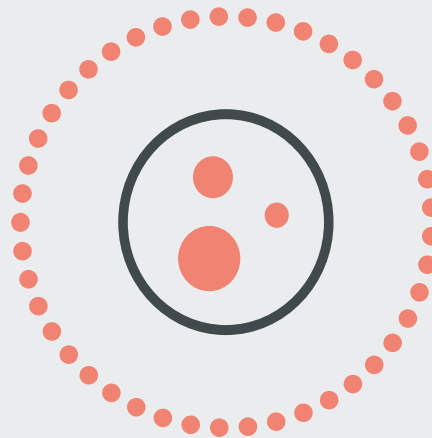
at March 31, 2020



18

**UNITS
DISTRIBUTED**

worldwide
in 2019–2020



155

**UNITS
DISTRIBUTED**

worldwide
since 2008



9

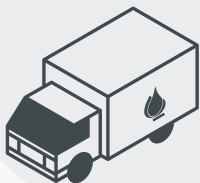
**PARTNER
HOSPITALS**

FROM DONATION TO TRANSPLANTATION



DONATION

Cord blood is collected at birth in partner hospitals.



TRANSPORTATION

Cord blood is transported to Héma-Québec.



QUALIFICATION

Cord blood is qualified based on strict criteria.



PROCESSING AND STORAGE

Cord blood is processed, frozen at -150 °C and stored for 15 years. The units of cord blood are made available to an international registry.



CALL AND SEARCH

When the Registry receives a call, Héma-Québec conducts a search for a unit that is compatible with the patient awaiting a stem cell transplant.



TRANSPLANT

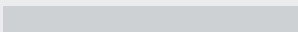

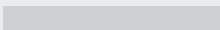
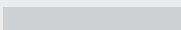
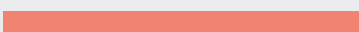
The patient is transplanted.

Distribution of cord blood units

The decrease in distributions recorded in recent years and observed worldwide slowed for the first time in five years.

In 2019–2020, the distribution of cord blood units doubled from the previous year and recorded an upward trend for the first time in five years. Demand for these biological products of human origin nevertheless remains marginal in absolute numbers, given the high degree of specialization of these activities.

UNITS OF CORD BLOOD DISTRIBUTED

2015–2016		15
2016–2017		10
2017–2018		11
2018–2019		9
2019–2020		18

Kim, a cord blood donor.



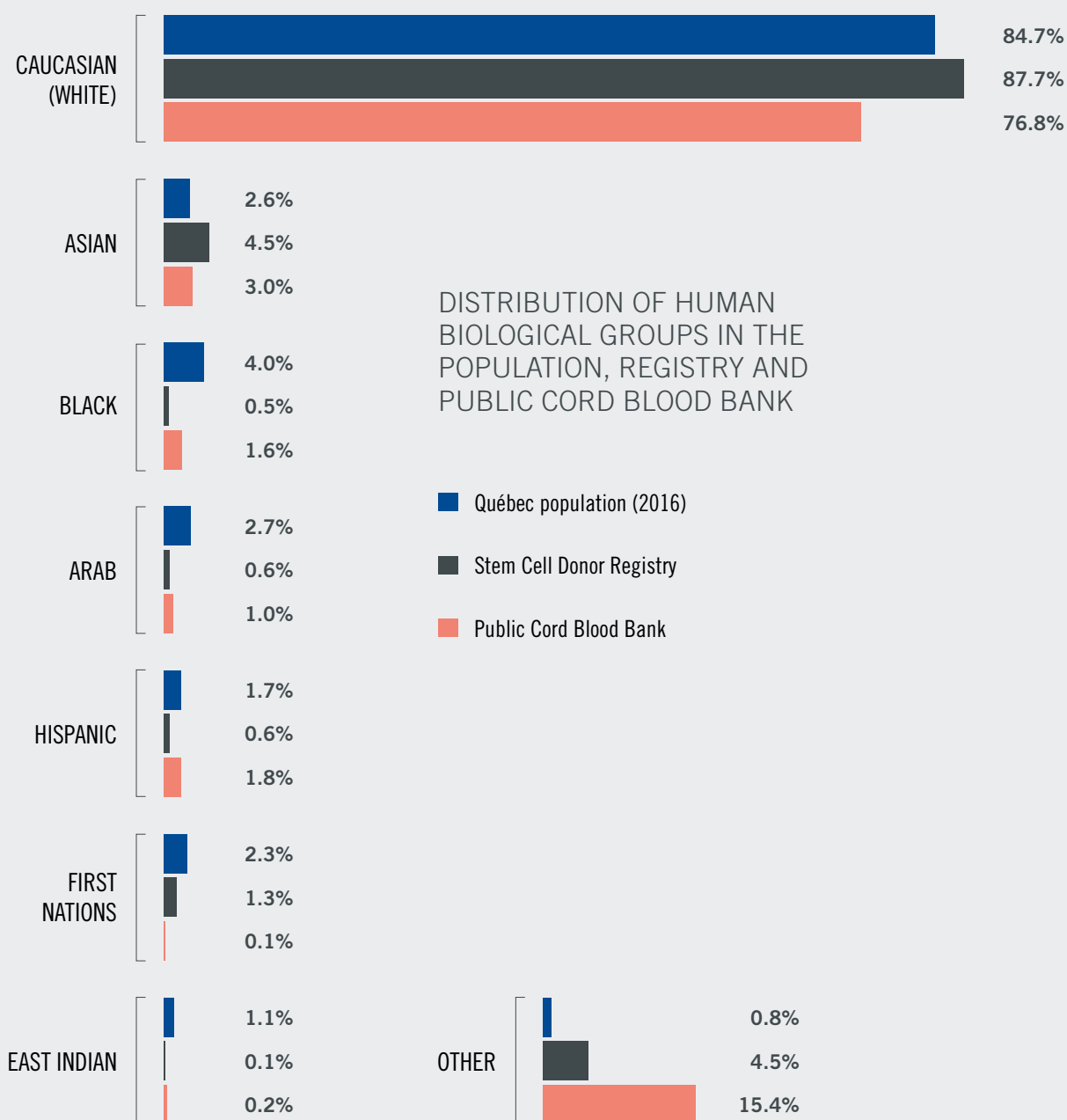
The challenge of diversity

The Stem Cell Donor Registry is made up primarily of Caucasian individuals, as is the case with international registries. The situation is similar with the Public Cord Blood Bank. This is a major issue since the characteristics of transplanted stem cells must match those of the patient as closely as possible. This is why a search is done for a donor whose genetic makeup corresponds to that of the patient.

In real terms, HLA (human leukocyte antigen) markers determine the compatibility of stem cells. This particular system requires searches to be very specific since there are more than 26,889 markers, and this number is growing every year. Finding a compatible donor or cord blood unit for a patient awaiting a stem cell transplant is a real challenge.

This is why it is important that donors from all ethnic backgrounds enrol in the Stem Cell Donor Registry and the Public Cord Blood Bank to improve the representation of all communities and increase the chances of finding these invaluable donors who save lives.

Héma-Québec's efforts consist in recruiting a diversity of stem cell and cord blood donors, while maintaining links to partner hospitals that have a greater representation of mothers from other communities and where cord blood units are collected.



Better representation of First Nations in the Stem Cell Donor Registry

First Nations are poorly represented in Canadian registries and absent from international registries because of a genetic profile that is unique in the world. Little existing data on HLA typing makes searches even more complex, since it is difficult to evaluate the various compatible combinations. A research project within First Nations communities aims to correct this situation.

This year, promotion of the Registry and solicitation of First Nations participation in a population-based study was carried out in three communities. To date, this has resulted in the recruitment of 320 study participants. In addition, 44% of the participants who were eligible to enrol in the Registry did so.

Efforts to reach out to other communities continue. The aim is for all of Québec to be represented in the Registry and for the HLA characteristics of First Nations to be better known to facilitate searches for unrelated stem cell donors.

ENROLMENTS IN THE PROJECT AND THE REGISTRY

Nation	Enrolments in the project	Enrolments in the Registry
Mohawk	111*	
Innu	75	
Huron-Wendat	62*	
Algonquin	53	44% of enrolments in the Registry among participants who met the age criterion
Atikamekw	9	
Abenaki	4	
Mi'kmaq	4	
Other	2	
Total	320	60

*Recruitment completed.



Rosalie, a cord blood transplant recipient, has First Nations ancestry.

EVERY CONSENT COUNTS

Geneviève, seen on the photo with her children, Romy and Tom, consented to a tissue donation from her partner Roxane upon her death.





HUMAN TISSUES

Héma-Québec manages the only public human tissue bank in Québec. It is responsible for raising awareness among health professionals of the importance of referring potential donors, the collection process, and the processing and distribution of human tissues to hospitals.

IN NUMBERS



7,280
DONOR
REFERRALS
received



962
TISSUE
DONORS



5,384
TISSUES
DISTRIBUTED
to hospitals

Héma-Québec collects the following human tissues:



Ocular tissues
(corneas and eyeballs)



Heart valves



Cutaneous tissues (skin)



Arterial tissues (for
example, abdominal
aortas, femoral arteries)



Musculoskeletal tissues
(tendons and bones)

FROM DONOR REFERRALS TO TRANSPLANTATION



DONOR REFERRALS

Health professionals refer donors to Héma-Québec.



CONSENT

Consent registries are checked. Whether the consent is entered in the registry or not, it is important to share the donor's decision to consent to donating tissue with family members, since they are the ones who speak on behalf of the donor after death.



QUALIFICATION

Héma-Québec conducts a thorough evaluation to verify the donor's eligibility.



COLLECTION

Héma-Québec collects the tissues.



PROCESSING AND STORAGE

The tissues are processed and stored until they are transplanted. Most tissues can be preserved for up to five years, with the exception of corneas, which cannot be preserved beyond 14 days.



TRANSPLANTATION

The surgeon transplants the tissues. One donation of human tissues can help up to 20 people.

Referrals of human tissue donors

As part of its human tissue activities, Héma-Québec must raise awareness among health professionals of the importance of referring potential donors. These referrals are vital to ensuring greater self-sufficiency.

In 2019–2020, Héma-Québec received 7,280 potential donor referrals, which represents nearly triple the number of referrals compared with 2015–2016.

DONOR REFERRALS



HUMAN TISSUE DISTRIBUTION

	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020
Heart valves and vascular products	39	59 ¹	54	66	71
Cutaneous products	1,489	1,036	1,060	655	1,079
Musculoskeletal products (tendons and bone)	1,768	2,214	2,678	2,648	2,506
Corneas	606	689	783	819	809
Sclera	460	468	511	457	600
IMPORTS					
Human tissues	73	32	53	66	21
Corneas	205	176	139	78	91
Amniotic membranes	94	108	173	226	207
Total	4,734	4,782	5,451	5,015	5,384

¹ The distribution of vascular products collected and manufactured by Héma-Québec began in 2016–2017.

Progression of the distribution of corneas


The data show a clear improvement of self-sufficiency in local corneas over the past five years, along with a 56% decrease of imports.

LOCAL CORNEAS (%)



TOTAL DISTRIBUTION





Mévick, a recipient of mother's milk, with his parents Myriam and Mamadou.

**EVERY
LIFE
COUNTS**



MOTHER'S MILK

Héma-Québec operates Québec's only Public Mothers' Milk Bank. Its mandate is to provide pasteurized human milk to infants born preterm at 32 weeks' gestation or earlier who require medical care and whose mother cannot breastfeed. The organization is responsible for donor recruitment and qualification, the processing and analysis of milk, as well as its distribution to hospitals.

IN NUMBERS



931

ACTIVE DONORS
during the year



1,658

**REGISTERED
DONORS**



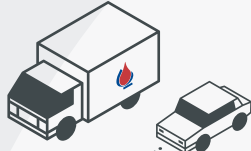
18,175

**BOTTLES
distributed**

FROM DONATION TO DISTRIBUTION

**DONATION**

Héma-Québec supplies bottles; mothers collect their milk at home and freeze it.

**PICK-UP OR DROP-OFF POINT**

Depending on the region, Héma-Québec collects the bottles at the donor's home or the donor brings the bottles to a drop-off point.

**MICROBIOLOGICAL ANALYSES**

In addition to screening for virological markers in the mothers, safety measures include testing the unpasteurized milk to ensure that it meets quality standards.

**POOLING OF DONATIONS**

Héma-Québec mixes the donations of several donors by lot.

**PASTEURIZATION**

The milk is pasteurized to eliminate viruses and bacteria.

**MICROBIOLOGICAL ANALYSES AND STORAGE**

Héma-Québec tests the milk to ensure that it is safe for recipients. If the results are compliant, the milk is frozen and stored for one year.

**DELIVERY**

The milk is distributed to hospitals and destined for extremely preterm babies that cannot be breastfed by their mother.

Meeting the demand of infants born preterm at 32 weeks' gestation or earlier

A major milestone in the brief history of the milk bank was reached in July 2018, with the achievement of self-sufficiency. Héma-Québec is able to meet all requests from hospitals for infants born preterm at 32 weeks' gestation or earlier.

During 2019–2020, 931 mothers, out of a pool of 1,658 registered participants, sent milk to Héma-Québec. This made it possible to send 18,175 doses of 100 ml to hospitals. Distribution has steadily increased over the past five years, as shown in the chart below.

DISTRIBUTION OF MOTHER'S MILK

2015–2016		2,095
2016–2017		9,865
2017–2018		11,767
2018–2019		16,471
2019–2020		18,175



EVERY TEST COUNTS



SPECIALIZED LABORATORY SERVICES

In addition to meeting the needs of the Québec population as a supplier of biological products of human origin, Héma-Québec provides specialized laboratory services to its Québec healthcare system partners.

Testing services for hospitals

Héma-Québec is recognized as a referral centre for the provision of medical biology services to Québec's health institutions. In 2019–2020, Héma-Québec's laboratories received 4,712 requests from hospitals for specialized testing, including for case studies in erythrocytic and leukoplatelet immunology, erythrocytic genotyping and HLA typing. The organization also responds to requests for screening tests (for example, HIV, hepatitis B and C, syphilis, etc.) for blood, stem cells or organ donors collected in hospitals.

In addition, genotyping of blood donors ensures a better compatibility for patients with specific transfusion needs. This is part of today's reality where medicine is becoming increasingly personalized and requirements are becoming more specific.

HLA typing of cord blood units of donors enrolled in the Stem Cell Donor Registry and of patients awaiting transplants are also performed in Héma-Québec's laboratories.

SPECIALIZED TESTING

	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020
Erythrocytic immunology (patient cases)	1,591	1,558	1,470	1,368	1,627
Platelet immunology (patient cases)	476	472	482	470	465
Erythrocytic genotyping (patient cases)	575	862 ¹	1,090	1,010	1,025
Erythrocytic genotyping (donors)	–	1,128 ²	2,693	4,837	3,854
HLA-A, B, C, DR, DQ typing	11,176	5,333	4,483	5,490	5,423
Screening for virological markers by serology and nucleic acid test (donors in hospitals)	1,641	1,741	1,715	1,735	1,900

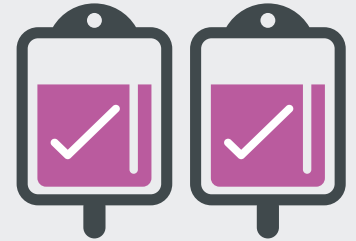
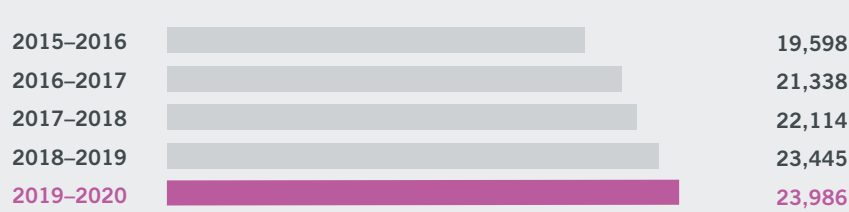
¹ Increase explained mainly by the addition of a new test to confirm low RhD results.

² Year during which donor genotyping began.

Persons who receive regular transfusions are at risk of developing antibodies, which translates into adverse reactions during transfusion. One solution to reduce these adverse reactions is matching a donor and a recipient with a similar genetic background. This is where phenotyping of packed red blood cells comes in.

Demand for phenotyped packed red blood cells used for, among other things, the transfusion needs of patients with sickle-cell anemia was around 22.3% in the past five years, due to the increase in the number of persons in Québec with this disorder. One of the treatments for the disease involves the exchange of blood (erythrocytapheresis) to remove the red blood cells of the person affected and replace them with those of a healthy donor. This procedure generally takes place every four weeks and requires blood cells from 10 different donors. On average each year, one person with sickle cell anemia needs blood from 130 different donors.

PHENOTYPED PACKED RED BLOOD CELLS DELIVERED TO QUÉBEC HOSPITALS



Testing service for Transplant Québec

Héma-Québec’s specialized laboratories support Transplant Québec by conducting qualification tests to determine whether a potential organ donor is a carrier of a blood-borne infection. These tests must be done quickly before the organs are collected for transplantation. The tests are done using specialized equipment and reagents that are not found in hospitals.

Héma-Québec commits to providing results within eight hours of receipt, thanks to an on-call service to handle requests received from a lab outside of normal business hours.

SAMPLES TESTED FOR TRANSPLANT QUÉBEC



¹ The partnership agreement with Transplant Québec was signed in June 2015.



152
SAMPLES TESTED
 in 2019–2020



95%
OF RESULTS TRANSMITTED
 within 8 hours



74%
OF TESTS DONE
 outside of regular business hours

Stem cell laboratory

Cryopreservation of autologous peripheral stem cells

Héma-Québec offers the cryopreservation of autologous peripheral stem cells to four Québec hospitals. This service consists of receiving, processing, cryopreserving, testing and temporarily storing the stem cells of patients until they are able to receive their own cells. When the time comes, the cryopreserved products are sent to the hospital where the patient will undergo transplantation. The number of requests received by Héma-Québec has steadily increased, representing a vital need for partner hospitals and patients.

AUTOLOGOUS PERIPHERAL STEM CELLS

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Requests (patients)	75	103	125	135	155
Collections	162	225	287	308	331
Frozen bags	399	399	399	550	548
Peripheral stem cells	185	179	298	301	350



Isabelle, a lab technician.



**EVERY
INNOVATION
COUNTS**

INNOVATION AND CONTINUOUS IMPROVEMENT

Héma-Québec is contributing to several initiatives that foster innovation to benefit Québec's healthcare system. Whether by improving operations at various levels or by creating partnerships, the organization promotes innovation and continuous improvement through its various activities.

Every donor counts


I'm part of the solution

Blood donor recruitment remains an ongoing challenge to meet the demand of persons with sickle cell anemia. Also called drepanocytosis, sickle cell anemia is a hereditary blood disorder that is chronic and incurable. It predominately affects people from Black communities and causes sufferers to experience extremely painful crises throughout their life. Blood transfusions greatly reduce the disease's effects. On average each year, one person with sickle cell anemia needs 130 blood donors.

In the past year, a communication strategy has enabled Héma-Québec to increase the pool of young donors, as well as donors from Black communities.

The aim of the "I'm part of the solution" project is to increase the number of donors from Black communities to meet the demands related to sickle cell anemia. A marketing campaign specifically targeting these communities resulted in an 8% increase in the number of donors. In addition, the goal of 300 new donors was reached in the three months following the campaign launch.

More than 8,500 new blood donors have been recruited from within Black communities since Héma-Québec began its awareness-building campaign on sickle cell anemia in 2009. Despite these encouraging results, the number of patients with sickle cell anemia who require exchanges of blood is also on the rise. Héma-Québec will pursue its objective of recruiting new donors.

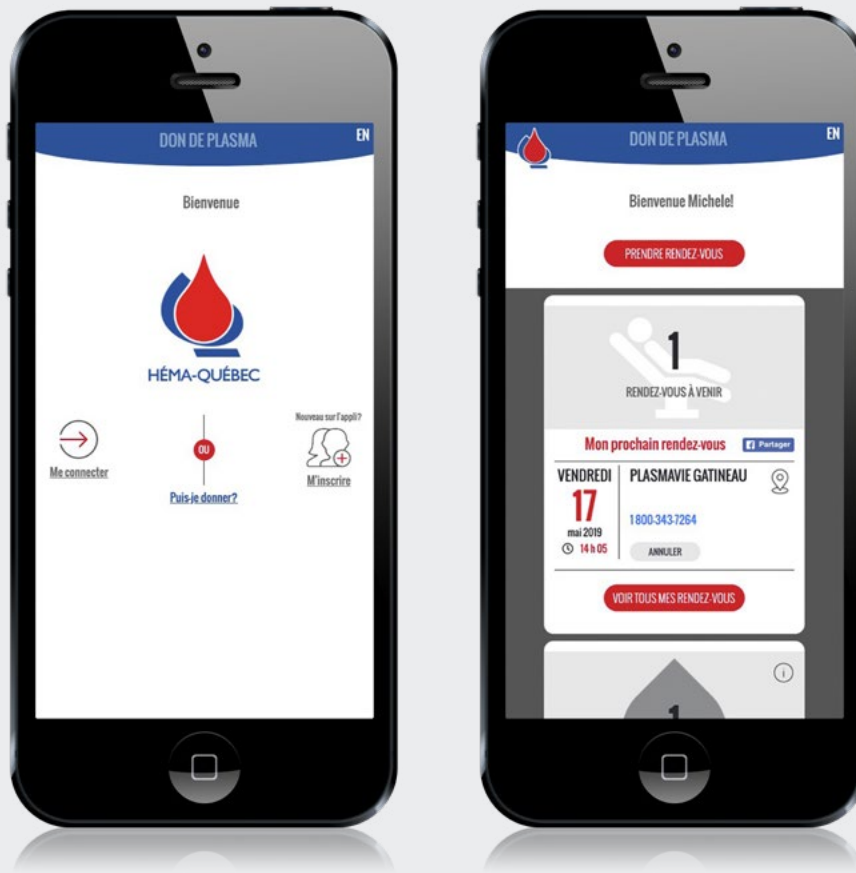
A portrait of Pastor Daniel, a Black man with a mustache and goatee, smiling. He is wearing a brown V-neck sweater over a white collared shirt and a plaid bow tie. He has his arms crossed and is wearing a black watch with a white strap on his left wrist.

At the heart of Pastor Daniel's priorities is his community. And because only 12% of blood donors identify as other than Caucasian, the pastor is trying to change this reality one speech at a time.

JeDonne: an appointment scheduling app for donors

JeDonne, an app intended for donors of plasma destined for fractionation, was implemented during the year. The main function of this app consists of independently scheduling appointments to give plasma. Thanks to this tool, donors can also access their donor card, consult the list of their future appointments, view their donation history, and manage their profile.

This is the first development phase of the app, which will eventually expand to include all donations that can be made at Héma-Québec. This project is being conducted, taking into consideration new trends on the Web. It offers a simple and intuitive solution for all donors, and a new way of communicating. At March 31, 2020, JeDonne had 5,463 donors.



The JeDonne app makes it possible to independently schedule an appointment to donate plasma.

Improvement of the customer experience in PLASMAVIE Lounges

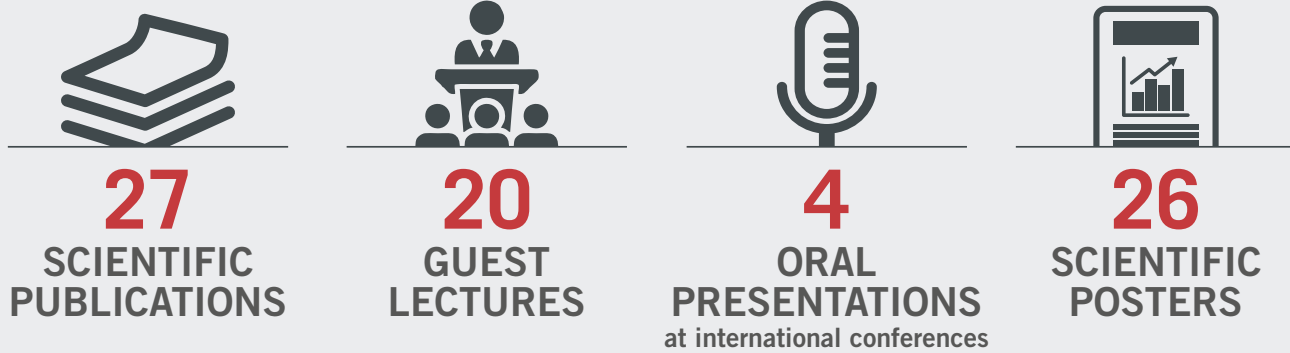
Plasma donation by apheresis is a technique that requires the donor to spend more collection time than with blood donation. To improve the donor experience, a team of employees reviewed the process of some steps of the collection process. Their work resulted in decreasing the total collection time by 15 minutes. Inspired by continuous improvement management tools, this approach means that donating plasma now takes less than one hour.

Partnership with the Bureau of coroner

The demand for human tissues is constantly growing. An agreement with the Bureau du coroner gives Héma-Québec secure access to the databank of personal and confidential information of deaths reported to the coroner. This partnership enables Héma-Québec to increase its ability to make human tissues available in quantity and quality to meet the needs of the population that it serves.

Research and innovation

The knowledge developed within Héma-Québec is shared with the medical and scientific community. This work contributes significantly to making Héma-Québec a strategic partner of the healthcare network. In 2019–2020, the medical affairs and innovation teams (physicians, statisticians, epidemiologists and researchers) worked on 37 research, development or operational assessment projects. Various achievements were disseminated through:



The efforts dedicated to these activities also supported Héma-Québec's overall operations.

Training the next generation in basic and applied research on blood

Many Héma-Québec researchers co-direct the research work of students enrolled in the master's and doctoral programs at Université Laval and supervise the work of postdoctoral interns. During the past year, seven graduate students and two postdoctoral interns have benefited from the guidance of Héma-Québec researchers.

The organization also regularly hosts student interns from various educational institutions in Québec and elsewhere. In the past year, four student interns were admitted to the medical affairs and innovation teams.

Finally, these teams benefited from collaboration with three postdoctoral physicians in transfusion medicine.



Lionel, scientist.

**EVERY
ACTION
COUNTS**



RISK MANAGEMENT

The safety and quality of distributed products and services provided are paramount. Héma-Québec manages the risks in an integrated manner at all levels of the organization, based on best practices.

Improvements to the **Système d'information intégré sur les activités transfusionnelles et d'hémovigilance**

Since May 2018, the office of the Vice-President of Information Technology and Digital Strategy has been responsible for the operational management of the **Système d'information intégré sur les activités transfusionnelles et d'hémovigilance (SIIATH)** for the entire healthcare network. This software solution is key to managing inventories of blood products, from their receipt by hospitals to their transfusion.

The traceability of all the transfusion activities of the blood banks in Québec depends on this software solution. In the context of the pandemic, the data available in the system makes it possible to better plan and optimize the planning of the supply of blood products. Real-time access to information about the inventories in hospital blood banks allows for better anticipation of demand trends and, ultimately, greater flexibility on the part of Héma-Québec teams to optimally manage the blood supply in Québec.

In 2019–2020, as part of its mandate with the **Ministère de la Santé et de Services sociaux**, Héma-Québec also continued the updating and migration of the SIIATH toward a new software platform. The migration was completed in 15 of the 93 hospitals that operate blood banks in the Québec network.

Integrated risk management system

Héma-Québec's new integrated risk management system is currently being implemented. The system enables the organization to proactively identify, handle and monitor risks, thereby allowing it to react as quickly as possible when the risk occurs.




To this end, a new crisis and mass communications management system was officially implemented on December 19, 2019. The new integrated risk management system enables all departments to document events and the actions taken during an incident requiring emergency measures.

Inspections and audits

Periodic inspections and audits of Héma-Québec's operational processes by regulatory agencies reflect the organization's degree of quality control over its operations. Following various inspections conducted in 2019–2020, Héma-Québec maintained its compliance status.

The situation caused by the COVID-19 pandemic has led to exceptional measures. For the first time, some inspections were conducted virtually or on paper to avoid the presence of inspectors in Héma-Québec facilities. Other inspections were simply postponed beyond March 31, 2020, the closing date of the fiscal year.

INSPECTIONS AND AUDITS

Activity sector	Agency	Scope	Date	Conclusion
 Blood products	Health Canada	GLOBULE in Québec City Quartier Lebourgneuf	April 2019	Establishment licences renewed in accordance with the <i>Blood Regulations</i>
		Montréal facility	September 2019	
		GLOBULE in Brossard Quartier DIX30	September 2019	
		GLOBULE in Montréal Place Versailles	September 2019	
		PLASMAVIE in Sherbrooke	January 2020	
Health Canada (good manufacturing practices)	Québec City facility – Stable Products Department; wholesale activities	May 2019	Establishment licence renewed in accordance with the <i>Food and Drugs Act and its regulations</i>	
	Montréal facility – Stable Products Department; wholesale activities	July 2019	Establishment licence renewed in accordance with the <i>Food and Drugs Act and its regulations</i>	
 Stem cells	World Marrow Donor Association (WMDA)	Stem Cell Donor Registry	January 2020	New certification in accordance with WMDA standards
 Human tissues	American Association of Tissue Banks (AATB)	Public human tissue bank	October 2019	Certification renewed in accordance with AATB standards
Reference Laboratory	Bureau de normalisation du Québec (BNQ)	Immunology laboratories; patient testing	April 2019	Certification renewed in accordance with the <i>ISO 15189 standard for Medical Laboratories</i>
Several departments	Public Health Agency of Canada – biosafety	Departments using risk group 2 pathogens and toxins	August 2019	Permit renewed in accordance with the <i>Human Pathogens and Toxins Regulations</i>

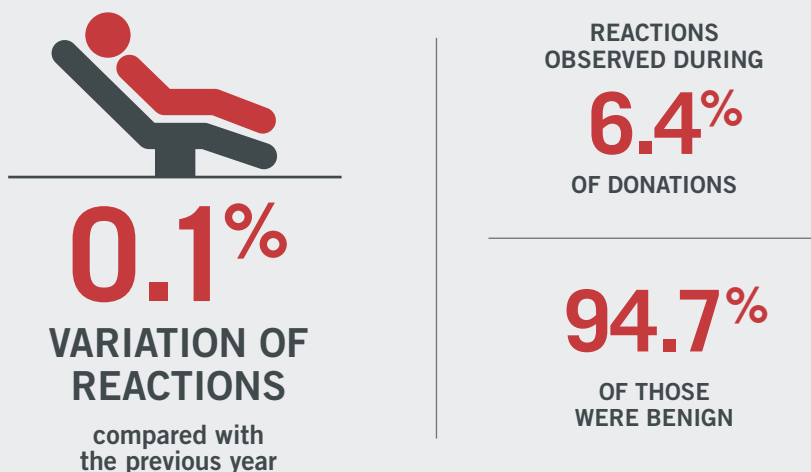
Hemovigilance of donors

Héma-Québec documents all reactions following a blood donation, regardless of their degree of severity. Adverse reactions occur rarely and, for the most part, are benign. Analyzing the data obtained makes it possible to adopt preventive measures to minimize reactions that may arise and foster a positive blood donation experience.

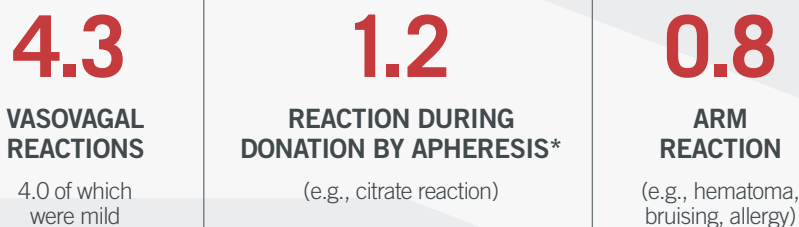
In 2019–2020, there was no significant variation in the reactions observed compared with historical data. Adverse reactions remained limited: 20,247 reactions out of 318,801 donations.

The most frequent reactions are vasovagal in nature, representing approximately two out of three cases. A vasovagal reaction is characterized by symptoms such as: sudden sensation of intense heat or cold; weakness, dizziness or discomfort; nausea.

OVERVIEW OF ADVERSE REACTIONS



Rate and type of complication possible per 100 donations



*These reactions only occur during an apheresis donation.

Health Canada responds favourably to the request to reduce the blood donation exclusion period for men who have sex with other men (MSM)

In 2019, Health Canada approved the reduction of the temporary blood donation exclusion period from 12 to 3 months for men who have sex with other men (MSM).

Recent transfusion safety data prompted blood product suppliers in Canada to request a relaxation of the policy banning men who have sex with other men from donating blood. This change was scientifically justified and in no way threatened the high degree of safety of the blood products.

EVOLUTION OF THE EXCLUSION PERIOD FOR DONATING BLOOD

PERMANENT

up to 2013

5 YEARS

2013 to 2016

12 MONTHS

2016 to 2019

3 MONTHS

since 2019

When the criterion change was announced in 2016, Health Canada had announced funds to finance research projects aimed at collecting evidence of other methods of evaluating the qualification criteria for donating blood, beyond belonging to a risk group.

The approach, which consisted in evaluating blood donors based on the risks presented by a population, generated a recurring social debate. Advances in analysis techniques, improved inventory management and the multiplication of scientific data have led to the relaxation of the criteria for MSM. These changes occurred against an evolving social and political backdrop.

Further relaxing the criteria aimed at MSM would require obtaining data showing that the proposed changes would have no negative repercussions on either the safety of the blood reserves or the ability to supply blood products.

Fifteen research projects conducted under the auspices of the Canadian Blood Services in collaboration with Héma-Québec were funded by Health Canada.

The research teams presented their preliminary findings during the Knowledge Synthesis Forum in November 2019. The researchers discussed the implications and potential impact of their discoveries with participants. The event, organized by the suppliers of blood products in Canada, brought together agencies and suppliers of blood from other countries, Health Canada, the Public Health Agency of Canada, LGBTQ+ communities, and patients' associations.

Although some advances have been identified, most of the funded projects are still under way, and their results will be published in the next two years.

Donations confirmed positive by communicable disease marker

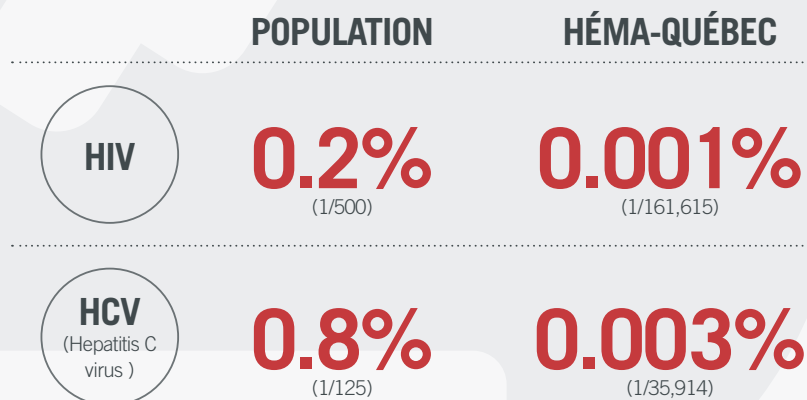
Héma-Québec tests all donations that it collects to detect blood-borne diseases. If a positive result is obtained, the donation is destroyed, and the donor is notified. As the following table shows, the number of infections found in donors has not varied significantly in recent years.

CONFIRMED POSITIVE DONATIONS BY MARKER

	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020
Human Immunodeficiency Virus (HIV)	0	0	0	0	2
Hepatitis C virus (HCV)	12	13	14	10	9
Hepatitis B virus (HBV)*	5	10	20	12	16
Human T-lymphotropic virus (HTLV)	2	1	2	1	2
Syphilis	8	17	11	14	19
Total donations	276,956	305,201	301,900	312,176	323,229

*Results linked to a recent vaccination in a donor are excluded since they represent false positives.

PREVALENCE OF HIV AND HCV IN HÉMA-QUÉBEC DONORS VERSUS THE GENERAL POPULATION



The number of infections found in blood donors remains far lower than that observed in the general population. These results show the efficacy of the blood donor qualification questionnaire used as a safety measure.

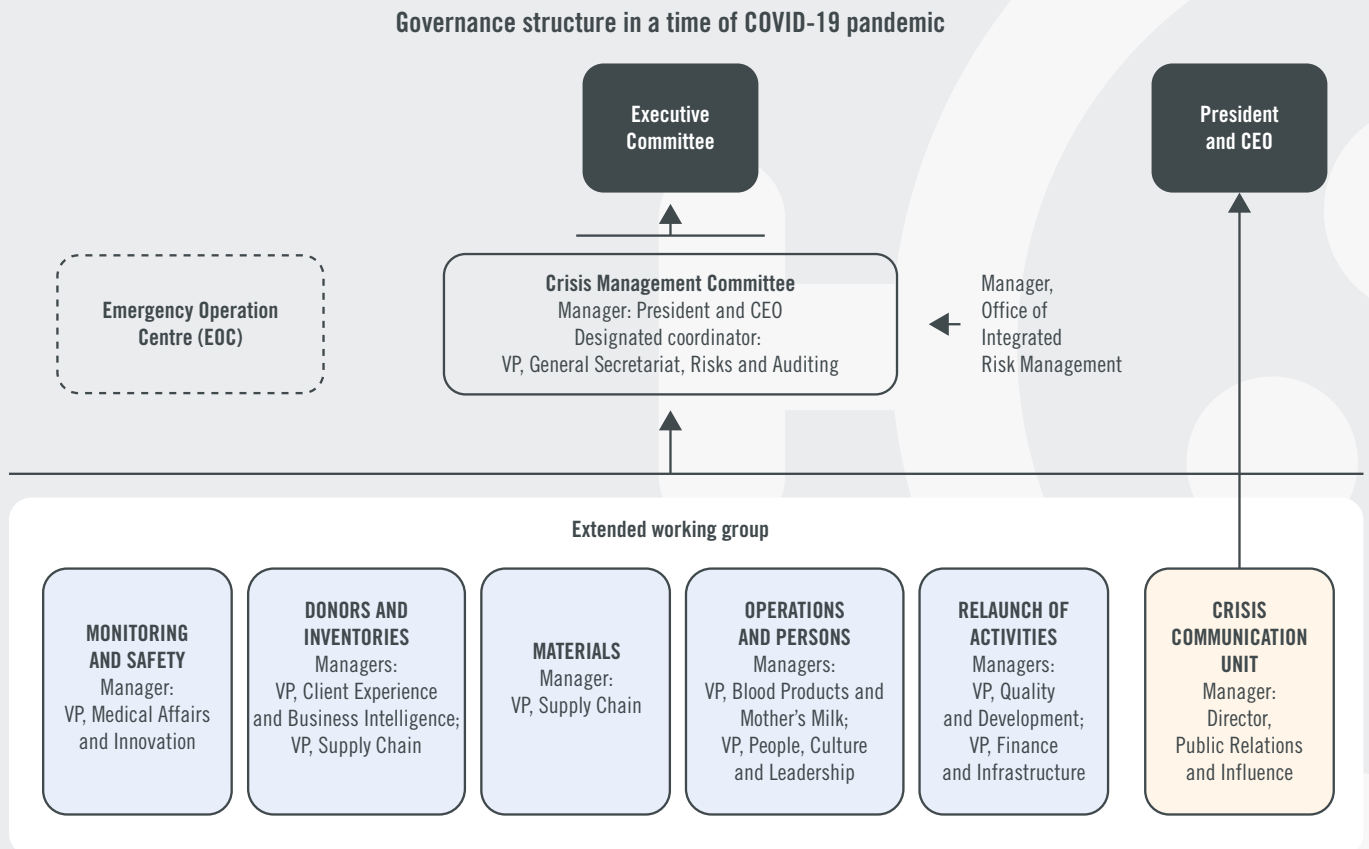
Managing risk in pandemic times

On January 16, 2020, Héma-Québec was placed on pre-alert following the arrival of the novel coronavirus (dubbed “2019-nCoV”).

The issue for the organization in the context of this pandemic was to maintain a constant supply of labile blood products and other biological products of human origin, which are vital to the survival of thousands of Quebecers. The challenge was to maintain the sufficiency and supply of these products at a time when large segments of socio-economic activities had been put on hold in Québec.

Governance structure in a time of pandemic

A Crisis Management Committee was formed, bringing together members of the Executive Committee, along with the heads of public relations and integrated risk management. It oversees an expanded working group made up of six multidisciplinary groups and a crisis communications unit and ensures the consistency and efficacy of the measures implemented. The work of each group is coordinated by one or two people in charge. The COVID-19 governance structure also includes an emergency operation centre that supports the groups and the crisis communication and crisis management committees.



Maintaining activities

On March 13, the Gouvernement du Québec adopted a decree, triggering a health emergency under the *Public Health Act*.

Following the closure of teaching institutions and public facilities and the cancellation of large events, non-essential retail outlets closed their doors to the public, and inter-regional borders were imposed: all of Québec was put on hold, and the population went into house lockdown. Managing the crisis caused by the COVID-19 pandemic became the organization’s priority as the sole supplier of blood.

The triggering of a health emergency activated the crisis management program, resulting in the implementation of the crisis management plans in place at Héma-Québec.

During the pandemic, Héma-Québec maintained the distribution of stable products and some activities vital to the Stem Cell Donor Registry and the Human Tissue Bank. Nevertheless, some activities were suspended, in particular recruitment.

At the start of the COVID-19 pandemic, Héma-Québec temporarily halted the qualification and recruitment of donors of mother's milk, as well as recruitment activities for the Stem Cell Donor Registry. Thanks to sufficient inventory, the distribution of units of mother's milk was maintained.

1,000 blood donations a day

The crisis management committee's efforts to convince the Premier of Québec, François Legault, produced results. His March 16th appeal to the population to donate blood was heard and donors spontaneously responded to his request. At the time, the ban on gatherings was a major issue for Héma-Québec. Action had to be taken to maintain this momentum to ensure an average of 1,000 donations per day in order to maintain the supply of blood products while protecting the donors, volunteers and employees who make these donations that save lives possible.

Exceptional measures

As an essential service, Héma-Québec needed to implement measures to carry on its activities during the pandemic. Despite the ban on gatherings and the extension of the health emergency decreed by the Québec government, Héma-Québec had the latitude to continue its operations despite the restrictions.

Blood collection

The logistics of collection sites were reorganized to encourage the compliance of donors, employees and volunteers with the required sanitary measures. From now on, all blood donations were to be done by appointment only. Prior to the pandemic, barely 10% of donations were scheduled by appointment.

Laboratoires

COVID-19 required exceptional measures to be taken in laboratories to maintain continuous operations without compromising the quality of the products handled and staff safety.

Measures taken with governments and agencies

The Crisis Management Committee made many presentations to the Ministère de la Santé et des Services sociaux and other government departments and agencies involved in the fight against the COVID-19 pandemic. Its actions helped ensure the recognition of the essential and priority nature of Héma-Québec's activities in the context of a health emergency. Ongoing communications with the office of the Health and Social Services Minister fostered exchanges of information and situation updates. This partnership enabled the children of Héma-Québec's employees to access daycare services and benefit from certain exemptions related to gatherings to enable the organization to pursue its mission.

The closure of international borders imposed by the Government of Canada in March represented a major challenge for the international transportation of stem cells. Constant interactions with Health Canada since the health emergency was triggered also facilitated the adaptation of regulatory requirements in the context of the COVID-19 pandemic.

The background is a solid dark blue. Overlaid on this is a white line-art illustration of a hand reaching from the right side, holding a cloud-like shape on the left. The lines are thin and elegant, creating a sense of support and care.

**EVERY
PARTNERSHIP
COUNTS**

ESSENTIAL PARTNERS TO FULFILL OUR MISSION

Héma-Québec's objective is to be a strategic partner serving Québec's healthcare system. Each year, thanks to the commitment of its donors, volunteers, employees, partners, and administrators, it supplies quality biological products of human origin to Québec hospitals and supports health professionals by offering innovative specialized services.

Over time, Héma-Québec has formed various essential partnerships that unite strengths to provide the gift of life. The importance of partnerships is also enshrined in the *Act respecting Héma-Québec and the biovigilance committee*, which states that the organization must “maintain links to ensure collaboration and the exchange of information with counterpart organizations in Canada and elsewhere, in order to be informed of and share expertise.” Below are several partners with whom the organization had the opportunity to collaborate during 2019–2020.

- AABB
- America's Blood Centers
- American Association of Tissue Banks
- American Society for Apheresis
- American Society of Histocompatibility and Immunogenetics
- Americas' SAP Users' Group
- Association canadienne des dons d'organes et de tissus
- Association d'anémie falciforme du Québec
- Association de thérapie génique du Québec
- Association des bénévoles du don de sang (ABDS)
- Association des patients immunodéficients du Québec (APIQ)
- Association of Donor Recruitment Professionals (ADRP)
- Association professionnelle des chargés de sécurité transfusionnelle du Québec (APCSTQ)
- Banque d'yeux du Centre universitaire en ophtalmologie
- Banque d'yeux du Québec
- Biomedical Excellence for Safer Transfusion
- Bureau du coroner
- Canadian Association of Eyes and Tissue Banks
- Canadian Blood Services
- Canadian Donation and Transplantation Research Program
- Canadian Society for Transfusion Medicine (CSTM)
- Cell Therapy Transplant Canada (CTTC)
- Centre hospitalier universitaire de Montréal (CHUM)
- Chambre des notaires du Québec
- Comité consultatif national de médecine transfusionnelle
- Commission de la santé et des services sociaux des Premières Nations du Québec et du Labrador (CSSSPNQL)
- Consortium for Blood Group Genes
- Cord Blood Association
- Corporation des thanatologues du Québec
- CSA Group
- Établissement français du sang
- Fondation Héma-Québec
- Fonds de recherche du Québec – Nature et technologies
- Fonds de recherche du Québec – Santé
- Foundation for the Accreditation of Cellular Therapy (FACT)
- Human Milk Banking Association of North America
- Institut national de la recherche scientifique
- Institut national de santé publique du Québec
- International Society of Blood Transfusion
- International Society of Hematology
- Natural Sciences and Engineering Research Council of Canada (NSERC)
- Ordre professionnel des technologistes médicaux du Québec: Formaline
- Réseau de thérapie cellulaire, tissulaire et génique du Québec (TheCell Network)
- Safe Blood for Africa Foundation
- Société canadienne de l'hémophilie
- Toyota Canada
- Transplant Québec
- Unité de coordination clinique des services préhospitaliers d'urgence (UCCSPU) of Hôtel-Dieu de Lévis
- Urgences-santé
- World Marrow Donor Association (WMDA)

**EVERY
ACTION
COUNTS**



RESULTS RELATED TO THE 2017–2020 STRATEGIC PLAN

The strategic plan revolves around six strategic orientations that represent as many challenges to be met in positioning the organization as a strategic partner serving Québec’s healthcare system.

1. Compare practices with those of the leaders in the field and take the necessary steps to achieve objectives for the benefit of partners and assume responsibility for the results.
2. Keep up with the latest developments in human biological products and be proactive so that the healthcare network can benefit from this expertise.
3. Manage risks in an integrated manner at all levels of the organization in accordance with best practices.
4. Modernize and streamline processes in order to be more effective.
5. Take advantage of digital technology to improve communications with partners.
6. Develop employee skills and mobilize employees by implementing a talent and succession management program.

Following the annual review of the strategic plan by the Executive Committee and the Board of Directors, it was agreed to add new objectives and an additional year to complete the 2017–2020 strategic plan, thus allowing additional time to ensure its deliverable.

REPORT ON THE 2019–2020 OBJECTIVES

STRATEGIC ORIENTATION 1

Compare practices with those of the leaders in the field, and take the necessary steps to achieve objectives for the benefit of partners and assume responsibility for the results

AREAS OF INTERVENTION AND OBJECTIVES

1.1 Benchmarking and accountability of areas of activity

- 1.1.1 Keep a scorecard to evaluate the performance of activity sectors
- 1.1.1 Put in place indicators by activity sector
- 1.1.2 Perform benchmarking activities
- 1.1.3 Incorporate a systematic review of activity sectors

1.2 High-performing areas of activity

- 1.2.0 Attain efficacy objectives
- LABILE PRODUCTS**
- 1.2.1 Reduce the number of collection hours worked by product collected
- 1.2.1 Define strategies for maintaining inventories
- PLASMA FOR FRACTIONATION**
- 1.2.2 Increase the number of litres collected and reduce the cost per litre
- HUMAN TISSUES**
- 1.2.3 Maintain critical mass to better serve the Québec market
- 1.2.3 Establish a sole distributor mandate
- MOTHER'S MILK**
- 1.2.4 Meet the need of premature infants born at 32 weeks or earlier
- CORD BLOOD**
- 1.2.5 Offer products most sought after by transplant physicians
- STEM CELL DONOR REGISTRY**
- 1.2.6 Have better representation (diversity) of the Québec population in the registry
- Encourage better First Nations representation

STRATEGIC ORIENTATION 2

Keep up with the latest developments in human biological products and be proactive so that the healthcare network can benefit from this expertise

AREAS OF INTERVENTION AND OBJECTIVES

2.1 Value-added products and services for the healthcare network

- 2.1.1 Evaluate the possibility of creating a provincial transfusion medicine research group
- 2.1.2 Establish a governance framework to analyze requests for new products and services
- 2.1.3 Recover by-products and production waste

2.2 Knowledge of the environment

- 2.2.1 Institutionalize active monitoring practices by activity sector
- Actively monitor AML and regulatory affairs

STRATEGIC ORIENTATION 3

Manage risks in an integrated manner at all levels of the organization in accordance with best practices

AREAS OF INTERVENTION AND OBJECTIVES

3.1 Overall risk management culture

- 3.1.1 Conduct monitoring of best practices

3.2 Program that reflects the latest best practices

- 3.2.1 Optimize governance and the risk management program
- 3.2.2 Implement succession plans (ERP, BCP and others)
- 3.2.3 Manage priority risks

STRATEGIC ORIENTATION 4

Modernize and streamline processes in order to be more effective

AREAS OF INTERVENTION AND OBJECTIVES

4.1 An effective management model that focuses on accountability and a comprehensive view of processes

- 4.1.1 Choose a common streamlining methodology
- 4.1.2 Streamline and optimize four complex processes.
 - 4.1.2.1 Procurement of goods and services
 - 4.1.2.2 Coordination of management cycles and reporting
 - 4.1.2.3 Talent acquisition including management of staff (workforce)
 - 4.1.2.4 IT Service Request Management
- 4.1.3 Optimize priority sub-processes among the seven mapped production processes
- 4.1.4 Finalize the review of non-compliances
- 4.1.5 Finalize the redesign of controlled documents

4.2 Culture of accountability and synergetic partnership

- 4.2.1 Gain maturity in project management
- 4.2.1 Continue to implement the new Symphonie structure

STRATEGIC ORIENTATION 5

Take advantage of digital technology to improve communications with partners

AREAS OF INTERVENTION AND OBJECTIVES

5.1 Foundations for digital transformations

- 5.1.1 Develop the IT strategy
- 5.1.2 Develop digital content expertise
- 5.1.3 Build technological fundamentals

5.2 Digital technology for the benefit of partners

- 5.2.1 Deploy a digital business capacity tailored to the needs of donors and volunteers for all activity sectors
- 5.2.3 Information system on the traceability of blood products (SIATH)

5.3 Digital technology for the benefit of employees

- 5.3.1 Optimize the quality management software package
- 5.3.2 Optimize the workforce planning process

+ Added, in reference to this mandate entrusted to Héma-Québec by the MSSS in May 2018.

STRATEGIC ORIENTATION 6

Develop the skills of employees and mobilize them by implementing a talent and succession management program

AREAS OF INTERVENTION AND OBJECTIVES

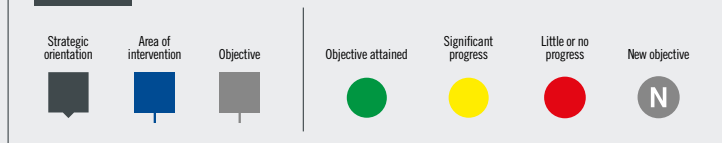
6.1 Integrated and open-ended talent and succession management program

- 6.1.1 Implement a succession management process for critical and key positions
- 6.1.2 Develop a strategy for assigning and developing individuals bound for critical and key positions
- 6.1.3 Create an integrated talent and succession management program that fosters the development of skills related to business needs
- 6.1.4 Manage and provide development and career opportunities
- 6.1.5 Implement a computerized, integrated system to manage performance, talent and succession
- 6.1.6 Empower and support managers in their role as talent developers to foster the emergence of a culture of learning

6.2 Motivational and inspiring leaders

- 6.2.2 Create leadership development path 2.0 for the demonstration of new skills and behaviour related to business needs
- 6.2.4 Create a (non-regulatory) training program for unionized staff

LEGEND:





**EVERY
DECISION
COUNTS**

GOVERNANCE

BOARD OF DIRECTORS

Héma-Québec's activities are governed by a board of directors made up of members representing a balance of experience and expertise aligned with the organization's activities, as well as various stakeholders in the transfusion chain.

To fulfill its role, the board is supported by committees made up of board members and by advisory committees made up of external members. Day-to-day management is delegated to the president and CEO and the executive committee, who collaborate closely to ensure the good governance of the organization and to implement its strategic orientations.

AT A GLANCE



BOARD MEMBERS

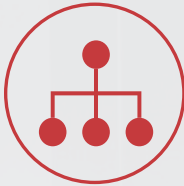
12 + 1

**board members named
by the government**

—
The board chair is elected
among the members

**President and Chief
Executive Officer**

—
Chosen and named by
the members



Composition of the board of directors

Members from the following categories:

- blood donors and volunteers
- recipients
- presidents and CEOs and chief executives of public institutions (health)
- physicians
- public health community
- scientific research community
- business community
- Ordre des comptables professionnels agréés du Québec
- Héma-Québec (President and CEO)



Nomination process

Members are named by the government (except for the president and CEO) after consultation with the persons or communities in the categories mentioned below:

- Applications are sought from persons and communities in these categories.
- Applications are analyzed by the Governance and Ethics Committee based on certain criteria:
 - > Source of nominations according to the categories listed previously.
 - > Professional skills profile, in particular finance and accounting, governance and ethics, transfusion medicine (or other relevant specialty), information technology, human resources, public and government relations, legal and judicial affairs, production and operations
- The Governance and Ethics Committee reports its recommendations to the board.
- The applicants' files are submitted to the government, which makes a selection among the applications submitted.



Mandates of the members

4

YEAR
term renewable twice, consecutively or not



5

YEAR
term for the President and CEO



Breakdown by age group

- 40 to 49: 3
- 50 to 59: 6
- 60 and over: 4

AVERAGE AGE:

56
YEARS



Parity

The composition of the board complies with gender parity.

7
WOMEN

6
MEN



Meetings in
2019–2020

12

BOARD MEETINGS
6 regular
6 extraordinary

36

MEETINGS OF THE BOARD'S COMMITTEES
24 regular
12 extraordinary

91%

**ATTENDANCE RATE
AT BOARD AND COMMITTEE
MEETINGS**

All meetings of the board and its committees include a closed-door discussion without the presence of management. Part of the closed door discussion, however, is held in the presence of the president and CEO.

The table below shows the individual attendance record for the period of April 1, 2019, to March 31, 2020.*

Directors	Number of meetings	Attendance
Anne Bourhis	12	10
Jean-Frédéric Lafontaine	12	12
Nathalie Fagnan	12	12
Daniel Tremblay**	2	2
Patricia Hudson	12	12
Caroline Barbir	12	9
Jacques Gédéon**	2	2
Jean-Marie Leclerc	12	9
Patricia Pelletier	12	10
Stéphanie Austin**	2	1
Caroline Banville	12	9
Pierre Thivierge	12	10
Réal Couture**	2	2

*Section 3.18 of the general regulations provides that directors may dismiss a director who, during a period of 12 consecutive months, is absent from more than three 3 meetings.

**Director since January 29, 2020.



Independence and remuneration of members

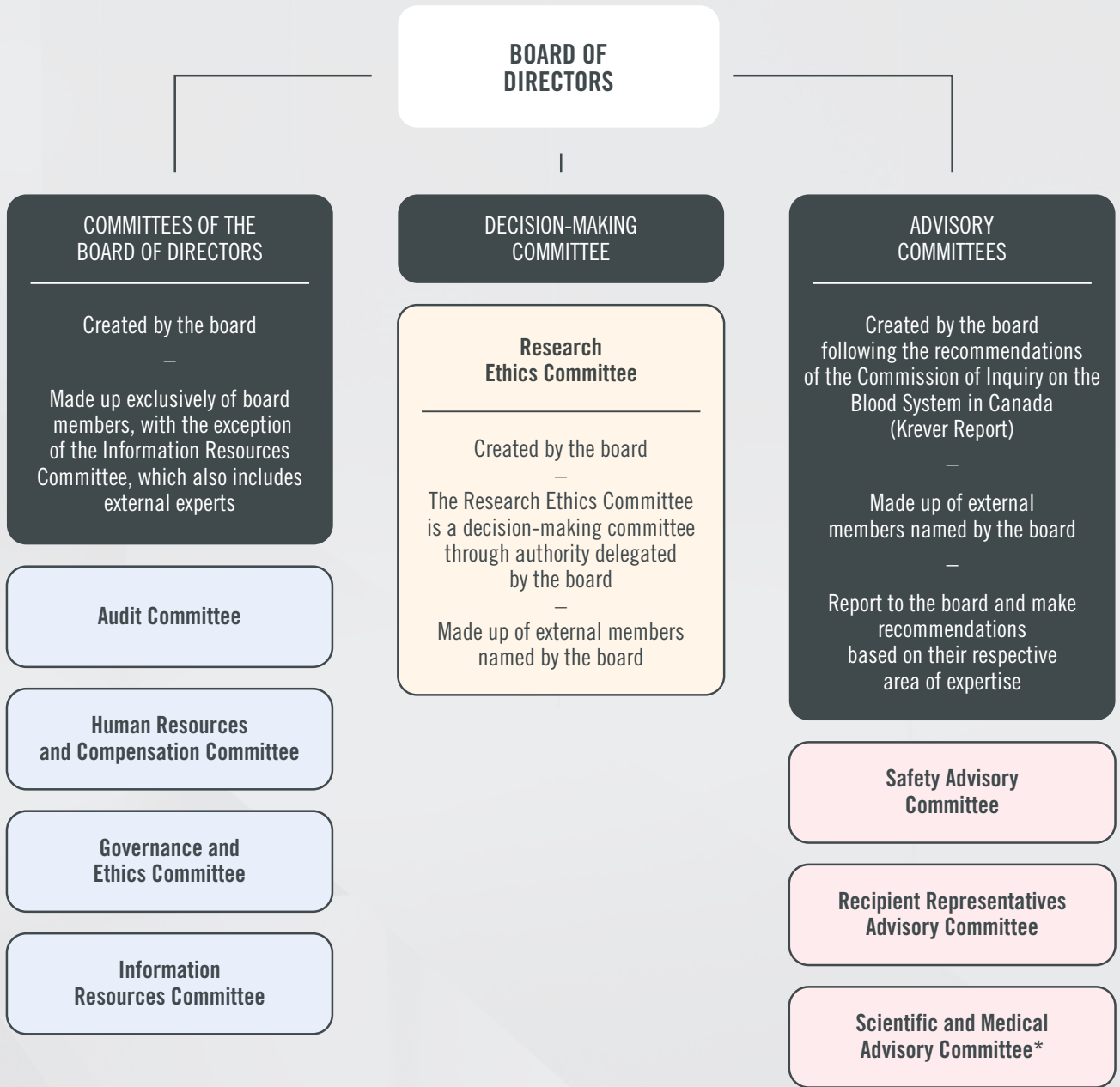
- All board members are independent from Héma-Québec, with the exception of Héma-Québec's President and CEO.
- Members of the board are not remunerated. They may be compensated for actual loss of salary or income (based on the provisions of a government decree) resulting from their attendance at meetings or other gatherings.

The table below shows the amounts claimed for the period of April 1, 2019, to March 31, 2020.

Membres	Amounts claimed in 2019–2020
Jean-Marie Leclerc	\$525
Patricia Pelletier	\$4,200
Patricia Hudson	\$2,800
Caroline Banville	\$1,575
Anne Bourhis	–
Jean-Frédéric Lafontaine	–
Pierre Thivierge	–
Caroline Barbir	–
Stéphanie Austin*	–
Daniel Tremblay*	–
Réal Couture*	–
Jacques Gédéon*	–
Total	\$9,100

*Member since January 29, 2020.

ORGANIZATIONAL CHART OF THE BOARD OF DIRECTORS AND ITS COMMITTEES



*A process to reactivate the Scientific and Medical Advisory Committee (SMAC) is under way following updating of its mandate in 2019.

MEMBERS OF THE BOARD OF DIRECTORS

SCIENTIFIC RESEARCH COMMUNITY



Anne Bourhis
Chair

Full Professor
Human Resources Management Department
HEC Montréal

RECIPIENTS



Daniel Tremblay

Member
Fondation de la greffe de moelle
osseuse de l'Est du Québec

DONORS AND VOLUNTEERS



Jacques Gédéon

President
Association des bénévoles du don de
sang, Outaouais chapter

BUSINESS COMMUNITY



Jean-Frédéric Lafontaine Atty
Vice-Chair

Director, Government
Relations – Québec
AstraZeneca Canada Inc

PUBLIC HEALTH



Dr. Patricia Hudson

Scientific Director
Direction des risques biologiques
et de la santé au travail
Institut national de santé publique du Québec

COLLÈGE DES MÉDECINS DU QUÉBEC



Dr. Jean-Marie Leclerc

Hematologist-oncologist
Centre hospitalier universitaire
Sainte-Justine

HÉMA-QUÉBEC



Nathalie Fagnan, CPA, CA
Secretary

President and Chief Executive Officer
Héma-Québec

PRESIDENTS AND CEOs
AND EXECUTIVE DIRECTORS
OF PUBLIC INSTITUTIONS*



Caroline Barbir

President and General Manager
Centre hospitalier universitaire
Sainte-Justine



Dr. Patricia Pelletier

Director of the Transfusion
Medicine Department
McGill University Health Centre

*Within the meaning of the *Act respecting health services and social services*.

MEMBERS OF THE BOARD OF DIRECTORS

SCIENTIFIC RESEARCH COMMUNITY



Stéphanie Austin

Full Professor
 Department of Human
 Resources Management
 École de gestion, Université du Québec
 à Trois-Rivières

ORDRE DES COMPTABLES
 PROFESSIONNELS AGRÉÉS
 DU QUÉBEC

BUSINESS COMMUNITY



Caroline Banville

Partner
 Counselling and Transactions
 PricewaterhouseCoopers



Pierre Thivierge, CPA, CA

President, Octium Solutions Inc
 Chief Financial Officer,
 Quadra Chimie Ltd



Réal Couture, FCPA, FCA

Corporate Director

INFORMATIONS OF PUBLIC INTEREST ABOUT BOARD OF DIRECTORS MEMBERS

Members	Date of nomination	End of mandate	Place of residence	Age	Seniority	Membership in other boards of directors
Anne Bourhis	September 13, 2017	September 13, 2021	Montréal	52	3 years and 7 months	Investissement Québec
Jean-Frédéric Lafontaine	March 26, 2016	March 26, 2020*	Boucherville	51	4 years	Fédération des chambres de commerces du Québec BioQuébec Q-CROC Arion Orchestre Baroque
Nathalie Fagnan	January 30, 2019	January 29, 2022**	Montréal	54	1 year and 3 months	La Presse Groupe La Veillée (Théâtre Prospero)
Daniel Tremblay	January 29, 2020	January 29, 2024	Québec	62	3 months	None
Dr. Patricia Hudson	December 13, 2017	December 13, 2021	Montréal	58	3 years and 4 months	Orchestre des jeunes du Mont-Royal
Caroline Barbir	October 19, 2016	October 19, 2020	Laval	62	4 years and 6 months	Centre hospitalier universitaire Sainte-Justine
Jacques Gédéon	January 29, 2020	January 29, 2024	Gatineau	70	3 months	Association des bénévoles du don de sang – Outaouais chapter Mixmédiarts
Dr. Jean-Marie Leclerc	February 26, 2014 (renewal: January 29, 2020)	January 29, 2024	Laval	66	6 years and 2 months	Association des médecins hématologistes-oncologistes (AMHOQ) Q-CROC
Dr. Patricia Pelletier	September 13, 2017	September 13, 2021	Montréal	45	3 years and 7 months	None
Stéphanie Austin	January 29, 2020	January 29, 2024	Trois-Rivières	42	3 months	Conseil de régie de l'École de gestion de l'Université du Québec à Trois-Rivières Conseil d'établissement de l'École de Pointe-du-Lac
Caroline Banville	December 13, 2017	December 13, 2021	Montréal	49	3 years and 4 months	None
Pierre Thivierge	March 23, 2016	March 23, 2020*	Montréal	56	4 years	Gestion Infilise Inc Hydro Technologies (Canada) Inc
Réal Couture	January 29, 2020	January 29, 2024	Québec	60	3 months	None

*Upon expiry of their mandate, members remain on the board until they are either replaced or nominated again.

**The President and Chief Executive Officer is chosen and named by the board members for a maximum term of five years.

BOARD COMMITTEES

GOVERNANCE AND ETHICS COMMITTEE

Jean-Frédéric Lafontaine Atty, chair

Martine Carré*

Dr. Patricia Hudson

All committee members are independent.

*Member up to December 4, 2019.

Main areas of interest:

- Makeup of the board of directors and files of applicants to director positions
- Governance review
- Succession to the chairmanship of the board
- Reactivation process for the Scientific and Medical Advisory Committee (SMAC)

Individual attendance of directors at the committee meetings:

Directors	Number of meetings	Attendance
Jean-Frédéric Lafontaine	8	8
Patricia Hudson	8	8

AUDIT COMMITTEE

Pierre Thivierge, CPA, CA, chair

Dr. Jean-Marie Leclerc

Jean-Frédéric Lafontaine Atty

Réal Couture, FCPA

All committee members are independent.

Main areas of interest:

- Procedure regarding the liability thresholds under the *Act respecting contracting by public bodies*
- Budgetary process and approval of the 2020–2021 pricing framework
- Supply strategy for blood products (strategy for collecting plasma for fractionation)
- Supervision of the internal audit process
- Review and approval of the integrated risk management annual report

Individual attendance of directors at the committee meetings:

Directors	Number of meetings	Attendance
Pierre Thivierge	7	7
Jean-Frédéric Lafontaine	7	7
Jean-Marie Leclerc	7	7
Réal Couture*	2	2

*Member of the committee since February 21, 2020.

BOARD COMMITTEES

HUMAN RESOURCES AND COMPENSATION COMMITTEE

Anne Bourhis , chair
Martine Carré*
Stéphanie Austin
Caroline Barbir

All committee members are independent.
*Member up to December 4, 2019.

Main areas of interest:

- Salary relativity and wage structure of unionized and non-unionized staff
- Negotiation of collective agreements
- Process of recruitment and nomination of vice-presidents
- Service offering of vice-presidencies (Symphonie project)

Individual attendance of directors at the committee meetings::

Directors	Number of meetings	Attendance
Anne Bourhis	7	7
Caroline Barbir	7	7
Stéphanie Austin*	2	2

*Member of the committee since February 21, 2020.

INFORMATION RESOURCES COMMITTEE

	Caroline Banville , chair
DIRECTOR MEMBERS	Daniel Tremblay
	Martine Carré*
	Michèle Bureau Consultant, Information Technology and Electronic Affairs
EXTERNAL MEMBERS	Bureau et Associés inc.
	Robert Charbonneau Information Technology Consultant

All committee members are independent.
*Member up to December 4, 2019.

Main areas of interest:

- Information system on the traceability of blood products (SIIATH)
- Strategy and roadmap for the SAP
- Strategy and roadmap for the integrated management software package (PGI)

Individual attendance of directors at the committee meetings:

Directors	Number of meetings	Attendance
Caroline Banville	4	4
Daniel Tremblay*	1	1

*Director member of the committee since February 21, 2020.

ADVISORY COMMITTEES

RECIPIENT REPRESENTATIVES ADVISORY COMMITTEE	
Fields represented	Members
COCQ-SIDA	<i>Chair</i> Michel Morin
ASSOCIATION DES PATIENTS IMMUNODÉFICIENTS DU QUÉBEC	Martine Allard
	Geneviève Solomon
SOCIÉTÉ CANADIENNE DE L'HÉMOPHILIE – SECTION QUÉBEC	Marius Foltea
ASSOCIATION D'ANÉMIE FALCIFORME DU QUÉBEC	Marlin Akplogan
	Wilson Sanon
LEUCAN	Pierre Verret
ASSOCIATION DES GRANDS BRÛLÉS	François Pellerin
LEUKEMIA AND LYMPHOMA SOCIETY OF CANADA	Pascale Rousseau
	Qi Li

All committee members are independent.

ADVISORY COMMITTEES

SAFETY ADVISORY COMMITTEE	
Fields represented	Members
PUBLIC REPRESENTATIVE	<p><i>Chair</i> David Page National Director of Health Policy Société canadienne de l'hémophilie, Montréal, Canada</p>
INFECTIOUS DISEASES	<p>Dr. Susan Stramer Vice-President of Scientific Affairs, Biomedical Services American Red Cross, Gaithersburg, United States</p>
	<p>Dr. Hans L. Zaijjer Professor, Blood-borne Infections Sanquin Blood Supply Foundation University Medical Centers, Amsterdam, Netherlands</p>
	<p>Dr. Louis M. Katz Chief Medical Officer Mississippi Valley Regional Blood Center, Davenport, Iowa, United States</p> <p>Adjunct Clinical Professor of Infectious Diseases and Medicine Roy and Lucille Carver College of Medicine, University of Iowa, United States</p>
EPIDEMIOLOGY	<p>Dr. Jutta Preiksaitis Professor Emeritus Division of Infectious Diseases, Department of Medicine University of Alberta, Edmonton, Canada</p>
TRANSFUSION MEDICINE AND PRACTICES	<p>Dr. Steven Kleinman Biomedical Consultant Victoria, Canada</p>
	<p>Dr. Luiz Amorim President and Chief Executive Officer Hemorio, Rio de Janeiro, Brazil</p>
	<p>Dr. Rebecca Cardigan National Head of Component Development NHS Blood and Transplant, Cambridge, United Kingdom</p>
	<p>Dr. Reinhard Henschler Director, Institute of Transfusion Medicine University Hospital Leipzig AöR, Leipzig, Germany</p>
CANADIAN BLOOD SERVICES	<p>Dr. Pierre Tiberghien Professor of Medicine, Immunology Senior Advisor for Medical and Scientific Affairs, Europe and International Établissement français du sang, La Plaine Saint-Denis (Paris), France</p> <p>Chair of the European Blood Alliance (EBA)</p>
	<p>Dr. Steven Drews Associate Director Microbiology, Canadian Blood Services</p> <p>Associate Professor Laboratory Medicine and Pathology University of Alberta, Edmonton, Alberta, Canada</p>
REPRESENTATIVE OF THE RECIPIENT REPRESENTATIVES ADVISORY COMMITTEE	<p>Marius Foltea Société canadienne de l'hémophilie, section Québec, Montréal, Canada</p>
BOARD OBSERVER	<p>Dr. Patricia Pelletier Director of Transfusion Medicine Service Centre universitaire de santé McGill, Montréal, Canada</p>

All committee members are independent.

DECISION-MAKING COMMITTEE

RESEARCH ETHICS COMMITTEE

Fields represented	Members
LAW	<p>Geneviève Cardinal Atty Head of the Research Ethics Office Chair of the Research Ethics Committee, Centre hospitalier universitaire Sainte-Justine, Montréal, Canada</p>
LAW, SUBSTITUTE LAWYER	<p>Alexandra Sweeney-Beaudry Attorney, Health Law, Borden Ladner Gervais (BLG)</p> <p>Lecturer in the Master's in Health Law and Policy program Faculty of Law, Université de Sherbrooke, Sherbrooke, Canada</p>
	<p><i>Chair</i></p> <p>Clermont Dionne Full Professor Rehabilitation Department Faculty of Medicine, Université Laval</p> <p>Researcher Centre de recherche du CHU de Québec – Université Laval, Population Health and Optimal Health Practices, Québec City, Canada</p>
SPECIALISTS IN THE FIELD OF RESEARCH	<p>Patrick Rochette Associate professor Department of Ophthalmology and ENT – cervicofacial surgery Faculty of Medicine, Université Laval</p> <p>Researcher Research centre of the CHU de Québec – Université Laval Focus: regenerative medicine, Québec City, Canada</p>
	<p>Jacques J. Tremblay Full Professor Department of Obstetrics, Gynecology and Reproduction Faculty of Medicine, Université Laval</p> <p>Researcher Centre de recherche du CHU de Québec – Université Laval, Reproduction, Mother and Child Health, Québec City, Canada</p>
BLOOD DONORS	<p>Pierre Galarneau Donor and volunteer Association des bénévoles du don de sang, Montréal, Canada</p>
RECIPIENT REPRESENTATIVES ADVISORY COMMITTEE, ETHICIST	<p>Michel Morin Assistant Director COCQ-Sida, Montréal, Canada</p>
RECIPIENT REPRESENTATIVES ADVISORY COMMITTEE (substitute member)	<p>Pierre Verret Senior lecturer Faculty of Nursing Université Laval, Québec City, Canada</p> <p>Associate member of Leucan</p>
SUBSTITUTE ETHICIST	<p>Johane de Champlain Atty Vice-Chair and Ethics Advisor Comité central d'éthique de la recherche (MSSS), Montréal, Canada</p>

All committee members are independent.

EXECUTIVE COMMITTEE



Nathalie Fagnan

President and Chief Executive Officer



Sylvie Allard

Vice-President, Client Experience and Business Intelligence



Martin Beaudry

Vice-President, Information Technology and Digital Strategy



Dr. Marc Germain

Vice-President, Medical Affairs and Innovation



Sébastien Gignac Atty

Vice-President, General Secretariat, Risks and Auditing



Annie Gingras

Vice-President, Quality and Development



Luc Lévesque

Vice-President, Blood Products and Mother's Milk



Christine Ouimet

Vice-President, Supply Chain



Dr. Nancy Robitaille

Vice-President, Transfusional Medicine



Luc Vermeersch

Vice-President, Finance and Infrastructure



Roselyne Zombecki

Vice-President, People, Culture and Leadership

Remuneration of senior executives

Total remuneration of the 11 Héma-Québec senior executives was \$2,510,061.

No bonus was paid to members of senior management, although this is subject to annual review based on performance criteria.



**EVERY
REQUIREMENT
COUNTS**

LEGISLATIVE REQUIREMENTS

COMPLIANCE WITH LAWS

The laws, regulations and policies that contain the legal obligations of Héma-Québec's annual report are:

- *Sustainable Development Act*
- *Act respecting the ministère du Conseil exécutif*
- *Act to facilitate the disclosure of wrongdoings relating to public bodies*
- *Politique gouvernementale relative à l'emploi et à la qualité de la langue française dans l'Administration*
- *Regulation respecting the distribution of information and the protection of personal information*
- *Politique de financement des services publics*
- *Act respecting contracting by public bodies*
- *Act respecting workforce management and control within government departments, public sector bodies and networks and state-owned enterprises*

Sustainable development act

Héma-Québec's action plan is set out in the framework of the Government Sustainable Development Strategy 2015–2020 and is structured around the following directions and objectives:

-  **Government direction 1** – Strengthen governance for sustainable development in public administration
 - > **Objective 1.1** Strengthen the use of ecoresponsible management practices in the public administration
 - > **Objective 1.2** Strengthen the use of the principles of sustainable development by government departments and public bodies
 - > **Objective 1.5** Strengthen access to and participation in cultural life as a lever for social, economic and land development
-  **Government direction 2** – Sustainably develop a prosperous economy: green and responsible
 - > **Objective 2.1** Support the development of green and responsible business practices and models
-  **Government direction 5** – Improve public health through prevention
 - > **Objective 5.2** Act to ensure that living environments are healthy and safe
-  **Government direction 6** – Ensure sustainable land development and support community vitality
 - > **Objective 6.2** Strengthen community capabilities to support dynamic economic and social land development

Some objectives of the government strategy have not been included in the sustainable development plan since they did not apply to Héma-Québec's organizational reality. They are prioritized in order to optimize actions that can contribute to achieving the government's objectives. The table on the following pages outlines the plan's actions and achievements.

Héma-Québec's actions	Related objectives	Performance indicators	2019–2020 results
1 Optimize deliveries to hospitals in connection with the opening of donor centres	1.2 6.2	<ul style="list-style-type: none"> Number of deliveries 	<ul style="list-style-type: none"> No change from last year.
2 Promote carpooling	1.2	<ul style="list-style-type: none"> Number of users Number of carpoolers registered 	<ul style="list-style-type: none"> The carpooling program continued with 11 reserved parking spaces. Page launch to encourage inter-site carpooling, which included a personal section where employees could find a carpooler to travel to work.
3 Continue the annual distribution of trees and plants	1.2 1.5 6.2	<ul style="list-style-type: none"> Number of sites that participated Number of persons who participated 	<ul style="list-style-type: none"> 1,370 plants distributed in May 2019 to approximately 500 employees in all the organization's facilities.
4 Maintain and develop tools for working remotely	1.2	<ul style="list-style-type: none"> Number of training sessions Number of participants 	<ul style="list-style-type: none"> Continuation of measures implemented in 2016–2017 : <ul style="list-style-type: none"> > Videoconference rooms set up to meet organizational needs, reducing GHG emissions associated with travel for meetings. > The Campus eLearning platform is used for all regular training courses (a minimum of six times per year), and blood drive staff (approximately 400 people) can access it from home. Certificates for these courses are issued electronically. > Knowledge acquisition for all staff members who have to follow regulatory procedures (approximately 800 people) can be validated online. > Acquisition of 300 extra permits to encourage as many employees to work from home, reducing GHG emissions associated with transportation. Héma-Québec has a total of 500 permits to encourage teleworking.
5 Add contractual clauses incorporating sustainable development principles into calls for tenders and contracts	1.2 2.1	<ul style="list-style-type: none"> Number of calls for tenders and contracts affected 	<ul style="list-style-type: none"> Not completed in 2019–2020. Héma-Québec works with the board of directors of Espace de concertation pour un approvisionnement responsable (ECPAR), whose aim is to develop a common sustainable development strategy, including the clauses that should be included in calls for tenders.
6 Promote the use of hybrid and electric vehicles	1.2 2.1	<ul style="list-style-type: none"> Use of electric and hybrid vehicles 	<ul style="list-style-type: none"> Addition of one new hybrid vehicle to the Plasmavie fleet.
7 Minimize the expiry of blood products	1.2 6.2	<ul style="list-style-type: none"> Internal expiry rate Follow-up and awareness raising among hospital clients 	<ul style="list-style-type: none"> Internal expiry rate: <ul style="list-style-type: none"> > Red blood cells: stable at 0.03%. > Platelets: down slightly to 1.4% (compared with 2.05% in 2018–2019).

	Héma-Québec's actions	Related objectives	Performance indicators	2019–2020 results
8	Continue efforts to reduce the use of paper	1.2	<ul style="list-style-type: none"> Amount of paper for recycling/trash 	<ul style="list-style-type: none"> Amount of material recycled at the Montréal facility: <ul style="list-style-type: none"> > Cardboard: 34,000 kg per year. > Paper: 10,100 kg per year.
9	Encourage alternative methods to individual commuting by car	1.2 2.1	<ul style="list-style-type: none"> Number of participants 	<ul style="list-style-type: none"> 154 employees subscribed to public transit incentive programs.
10	Continue photography courses and review the exhibition concept	1.5	<ul style="list-style-type: none"> Number of participants Report for each of the events 	<ul style="list-style-type: none"> Not completed in 2019–2020.
11	Develop local partnerships in connection with opening of donor centres	1.5 6.2	<ul style="list-style-type: none"> Number of jobs created Number of local suppliers 	<ul style="list-style-type: none"> Maintained established partnerships with local suppliers.
12	Maintain the annual influenza vaccination program for staff	5.2	<ul style="list-style-type: none"> Number of employees vaccinated 	<ul style="list-style-type: none"> 118 employees vaccinated on a voluntary basis in all of the organization's facilities.
13	Update the program for reimbursement of expenses related to physical activity and sporting events	5.2	<ul style="list-style-type: none"> Number of employees participating 	<ul style="list-style-type: none"> 216 individuals partially reimbursed for physical activity expenses. 23 individuals reimbursed for participation in one or more sporting events.
14	Continue training on the principles of the <i>Sustainable Development Act</i>	6.2	<ul style="list-style-type: none"> Number of training sessions and presentations 	<ul style="list-style-type: none"> More than five publications aimed at training and informing staff, reinforcing ecoresponsible behaviour, and promoting green committee activities related to the sustainable development action plan were distributed to employees.
15	Include volunteers in the plasma donation recruitment program	6.2	<ul style="list-style-type: none"> Number of participants 	<ul style="list-style-type: none"> Over 100 volunteers contributed to the recruitment of plasma donors annually.
16	Maintain the commitment of mobile blood drive organizing committees to serve the mission of Héma-Québec	6.2	<ul style="list-style-type: none"> Number of blood drives organized with their collaboration 	<ul style="list-style-type: none"> 2,287 blood drives organized in partnership with organizing committees.

Act respecting the Ministère du Conseil exécutif

The Héma-Québec directors are held to the highest ethical and professional standards, thereby fostering and preserving public trust and transparency in the management of Québec's biovigilance system.

Under the *Regulation respecting the ethics and professional conduct of public office holders*, Héma-Québec directors adopted a directors' code of ethics in 1999. It is reviewed annually by the Governance and Ethics Committee, and the directors sign a form every year attesting that they undertake to comply with it.

The directors' declarations of interests are verified at the beginning of every board or committee meeting and included in the minutes. Furthermore, no case has ever been brought forward under the directors' code of ethics, and no breach of conduct was reported in 2019–2020.

Héma-Québec's directors' code of ethics can be consulted on page 84.

Act to facilitate the disclosure of wrongdoings relating to public bodies

Public trust in Héma-Québec stems not only from its ability to distribute safe, high-quality biological products of human origin, but also from every action taken and decision made. The organization's integrity is founded on sound financial management and the implementation of organizational values (integrity and honesty, respect, empowerment, and engagement).

To earn this trust and to comply with the *Act to facilitate the disclosure of wrongdoings relating to public bodies*, Héma-Québec maintains a policy governing the disclosure of wrongdoings. The aim of this policy is to encourage and facilitate the disclosure of wrongdoings relating to Héma-Québec that have been or are about to be committed, while protecting whistleblowers from reprisals.

During the year, no disclosure was made, nor information communicated to the person responsible for following up disclosures.

Politique gouvernementale relative à l'emploi et à la qualité de la langue française dans l'Administration

In accordance 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), the standing committee chaired by the representative of the *Charter of the French Language* ensures that the language policy is implemented within the organization.

During the past year, the committee disseminated various information messages to employees to shed light on the language policy and the various tools at their disposal and to encourage the use of quality French and the standardization of terms used at Héma-Québec.

Regulation respecting the distribution of information and the protection of personal information

Pursuant to Division III of the *Regulation respecting the distribution of information and the protection of personal information*, Héma-Québec attests to having published the required documents and information on its website.

Acces to information

In 2019–2020, 10 requests for access to documents held by Héma-Québec and 15 requests for access to personal information or corrections were received and processed within the timelines prescribed by the *Act respecting Access to documents held by public bodies and the protection of personal information*.

PROCESSING OF ACCESS REQUESTS

Nature of the request	Processing time		Decision rendered	
Administrative documents	0–20 days	4	Accepted	10
	21–30 days	6	Partially accepted	0
	31 days or more	0	Refused	0
Total		10	Total	10
Personal information	0–20 days	14	Accepted	14
	21–30 days	1	Partially accepted	1 ¹
	31 days or more	0	Refused	0
Total		15	Total	15
Corrections	0–20 days	0	Accepted	0
	21–30 days	0	Partially accepted	0
	31 days or more	0	Refused	0
Total number of access requests subjected to reasonable accommodation measures				0
Number of review notices received from the Commission d'accès à l'information				0

¹ Provisions of the Act justifying the decisions rendered: 21, 37, 53, 54, 57, 59, 63.1, 88.1.

Information Security Committee

The Information Security Committee (ISC) provides support for information security management and coordination activities, specifically by monitoring the measures put in place to ensure the integrity, security and confidentiality of the information collected and held by Héma-Québec. In accordance with the *Regulation respecting the distribution of information and the protection of personal information*, the individuals in charge of information security and access to information and personal information sit on the committee.

The change of governance was completed in 2019–2020. The ISC continued developing its policies in keeping with the implementation of its action plan and follow-up of the recommendations.

In regard to risk management, measures were taken to strengthen cybersecurity. A new service partnership has increased network surveillance by continuously detecting new vulnerabilities. A second security adviser was hired to expand the services and broaden the spectrum of security checks.

Policy for the funding of public services

Information pertaining to Héma-Québec's fees to which the Policy for the funding of public services applies is provided below. Billing to parties other than Québec hospitals represents less than 0.04% of the organization's total budget.

Billing other than Québec hospitals (in thousands of dollars)	Revenues	Costs	Funding level achieved
Labile and stable product sectors	834	521	160%
Innovative product sectors (human tissues and stem cells)	1,566	1,491	105%
Total	2,400	2,012	119%

As a non-profit organization, Héma-Québec targets a funding level of 100%. This was slightly exceeded for billing, other than billing to hospitals. The difference of \$388,000, resulting in a 119% funding level, is not significant relative to Héma-Québec's total billing of \$428M.

It should be noted that the exceptionally high funding level for stable products is entirely attributable to the sale of albumin, following the attainment of the self-sufficiency threshold for this product.

Héma-Québec's fees are reviewed on April 1 of each year and indexed based on budgeted costs and volumes. Fees are set for each sector.

Labile products

Héma-Québec uses an activity-based accounting model to determine production and distribution costs, which are used to set fees (total cost) for each labile product. These fees are presented for approval to SigmaSanté, the joint procurement management organization designated by the Ministère de la Santé et des Services sociaux, and are endorsed by this organization..

Stable products

Héma-Québec uses full cost plus pricing to set the fees for stable products charged to a third party other than Québec hospitals to cushion itself against a potential increase in costs.

Héma-Québec acts as the distributor of these products. It purchases the products through calls for tenders and manages the reserve. Several suppliers are located in the United States; as such, Héma-Québec's purchases are subject to fluctuations in the exchange rates.

Innovative products (human tissues and stem cells)

For other activity sectors, the fees are mainly determined on a market-oriented basis since Héma-Québec does not have exclusive rights to distribute these products in Québec.

Act respecting contracting by public bodies

In an effort to strengthen the transparency of the contract management process and to inform the public about the measures being applied to ensure this, the organization reports annually to its board of directors on the application of its Contract Management Policy, as well as to the Secrétariat du Conseil du trésor (SCT).

A series of measures dealing with the application of rules of ethics and conduct in the management of contracts by employees, the handling of complaints, and accountability are based on principles of accessibility, integrity, transparency and imputability that form the underpinnings of the *Act respecting contracting by public bodies*. This Act reinforces the accountability of senior executives of public bodies and fosters the sound management of public funds.

For the reference period, 50 authorization records were submitted to the SCT. Expenditures made on public markets subject to the *Act respecting contracting by public bodies* represented \$70.7 M, for a total of 64 contracts of more than \$25,000.

Act respecting workforce management and control within government departments, public sector bodies and networks and state-owned enterprises

The *Act respecting workforce management and control within government departments, public sector bodies and networks and state-owned enterprises* was adopted by the National Assembly in December 2014 to strengthen the mechanisms for managing and controlling the workforce of public bodies. Héma-Québec confirms that it has complied with the provisions of the Act that apply to it. In accordance with the prescribed terms and conditions, the organization communicated the required information about service contracts authorized by the president and CEO to the Conseil du trésor.

SERVICE CONTRACTS VALUED AT \$25,000 OR MORE

	Number	Value
Service contracts with a physical person	1	\$47,600
Service contracts with a contracting party other than a physical person	30	\$2,155,292
Total service contracts	31	\$2,202,892




Many contracts were awarded during the year to meet ad-hoc needs. The labour shortage observed in 2019–2020 explains the difficulty in recruiting staff in various sectors.

The organization also periodically informed the Minister of Health and Social Services about its staffing level, providing a breakdown by job category, in accordance with the terms and conditions determined by the Conseil du trésor.

The target set for Héma-Québec for 2019–2020 represented a 9.7% increase in paid hours compared with 2014–2015.

In the case of Héma-Québec, a 2.8% decrease in paid hours was recorded compared with the target. The difference from the target at March 31, 2020, is attributed to improvements in the operations of donor centres, which resulted in a positive impact on the workforce productivity index. Delays in opening a new GLOBULE Centre, combined with hiring problems attributed to the job market, also contributed to the decrease in paid hours.

STAFF BREAKDOWN BY PAID HOURS FOR THE PERIOD
FROM APRIL 1, 2019, TO MARCH 31, 2020

Category	Hours worked	Overtime hours	Total paid hours	Full-time equivalent	Number of employees at March 31
 Managerial staff	316,723	503	317,226	174	183
 Professional staff	428,324	5,142	433,467	235	248
 Nursing staff	261,981	12,723	274,704	144	265
 Office staff, technicians, and related staff	1,075,737	42,981	1,118,719	591	657
 Labourers, maintenance, and service staff	117,141	13,296	130,437	64	65
 Students and interns	380	–	380	0	–
TOTAL*	2,200,287	74,645	2,274,932	1,209	1,418

*The numbers in the tables have been rounded and may be off by plus or minus 1.

DIRECTORS' CODE OF ETHICS

Preamble

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 biovigilance committee* and to the recommendations of the Commission of Inquiry into the Blood System in Canada, headed by the Honourable Horace Krever.

Héma-Québec's directors, who are public administrators in accordance with the *Act respecting the Ministère du Conseil exécutif* (R.S.Q. M-30), are held to the highest ethical and professional standards, thereby fostering and preserving public trust and transparency in its mission.

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 fulfillment 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 laws, 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 and 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 fulfillment 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 favors.
- 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 subparagraph 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 fulfill 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 ensure the disclosure 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 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, favor, 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, favors, 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, favor or other advantage or consideration that could compromise his/her independence, integrity or impartiality.

4. Political activity

- 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 code was adopted by the Board of Directors on May 7, 2014.

EVERY RESULT COUNTS

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FINANCIAL STATEMENTS

MANAGEMENT'S REPORT

The financial statements of Héma-Québec in this Annual Report were drawn up by Management, which is responsible for their preparation, 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 responsibilities, Management maintains a system of internal accounting 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.

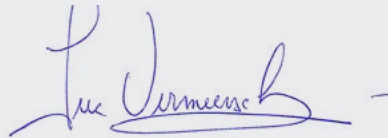
The Board of Directors monitors the manner in which Management carries out its financial reporting responsibilities and approves the financial statements. It is assisted in its responsibilities by the Audit Committee whose members are not part of Management. The Committee meets with Management and the 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 Audit Committee to discuss any matter related to his audit.



Nathalie Fagnan, CPA, CA
President and Chief Executive Officer



Luc Vermeersch, CPA, CA
Vice-President, Finance and Infrastructure

Montréal, July 9, 2020



INDEPENDENT AUDITOR'S REPORT

To the National Assembly

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Héma-Québec (the Entity), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and accumulated surplus, remeasurement gains and losses, changes in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of operations, its remeasurement gains and losses, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

As required by the *Auditor General Act* (CQLR, chapter V-5.01), I report that, in my opinion, these accounting standards have been applied on a basis consistent with that of the preceding year.

On behalf of the Auditor General of Québec,

 CPA auditor, CA

Roch Guérin, CPA auditor, CA
Principal

Montréal, July 9, 2020

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31, 2020
(in thousands of dollars)

	2020 BUDGET	2020 ACTUAL	2019 ACTUAL
REVENUES			
Blood products (note 3)	398,667	376,720	378,348
Grants from the Gouvernement du Québec	39,859	31,827	31,976
Innovative products	10,973	12,124	10,189
Interest	307	609	966
SIIATH expertise	–	1,237	1,058
Other	5,225	5,278	4,843
	455,031	427,795	427,380
EXPENSES (note 4)			
Stable products	290,917	272,497	251,690
Labile products	127,781	125,367	117,821
Innovative products	34,174	32,369	30,944
SIIATH expertise	2,159	1,237	1,060
	455,031	431,470	401,515
ANNUAL OPERATING (DEFICIT) SURPLUS (before undernoted)	–	(3,675)	25,865
Transfer of the prior year's surplus (note 5)		(25,865)	–
ANNUAL OPERATING (DEFICIT) SURPLUS		(29,540)	25,865
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR		25,865	–
ACCUMULATED OPERATING (DEFICIT) SURPLUS, END OF YEAR		(3,675)	25,865

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES FOR THE YEAR ENDED MARCH 31, 2020
(in thousands of dollars)

	2020	2019
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR	1,867	2,202
Unrealized gains attributable to:		
Derivatives	18,769	1,864
Exchange rates	505	3
Amount reclassified to operating surplus		
Derivatives	(1,864)	(2,079)
Exchange rates	(3)	(123)
Net remeasurement gains (losses) for the year	17,407	(335)
ACCUMULATED REMEASUREMENT GAINS, END OF YEAR	19,274	1,867

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

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020 (in thousands of dollars)

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents	15,579	17,403
Accounts receivable (note 6)	8,168	5,537
Inventories held for sale (note 7)	60,507	61,641
Derivatives	18,769	1,864
	103,023	86,445
LIABILITIES		
Line of credit (note 10)	13,022	–
Accounts payable and accrued liabilities (note 8)	36,700	36,814
Deferred grants from the Gouvernement du Québec (note 9)	8,075	6,466
Non-interest bearing advance from the Gouvernement du Québec	22,786	9,034
Debt (notes 10 and 11)	33,885	36,995
Employee future benefit liability (note 12)	12,582	11,854
	127,050	101,163
NET DEBT	(24,027)	(14 718)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 13)	33,394	37,008
Prepaid expenses	3,154	2,768
Supply inventories	3,078	2,674
	39,626	42,450
ACCUMULATED SURPLUS	15,599	27,732
Accumulated operating (deficit) surplus (note 5)	(3,675)	25,865
Accumulated remeasurement gains	19,274	1,867
	15,599	27,732
Contractual commitments (note 15)		
Contingencies (note 16)		

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

ON BEHALF OF THE BOARD OF DIRECTORS,



Anne Bourhis

Chair of the Board of the Directors



Pierre Thivierge, CPA, CA

Chair of the Audit Committee

STATEMENT OF CHANGES IN NET DEBT FOR THE YEAR ENDED MARCH 31, 2020 (in thousands of dollars)

	2020 BUDGET	2020 ACTUAL	2019 ACTUAL
ANNUAL OPERATING (DEFICIT) SURPLUS	–	(29,540)	25,865
Changes due to tangible capital assets:			
Additions	(12,445)	(3,697)	(3,774)
Amortization for the year	9,029	7,253	7,969
Loss on disposal and write-off	–	58	816
Proceeds on disposal	–	–	88
	(3,416)	3,614	5,099
Change due to other non-financial assets:			
Acquisition of prepaid expenses		(4,164)	(2,948)
Use of prepaid expenses		3,778	3,345
Acquisition of supply inventories		(18,038)	(17,468)
Use of supply inventories		17,634	17,206
		(790)	135
Net remeasurement gains (losses) for the year		17,407	(335)
Increase (decrease) in net debt	(3,416)	(9,309)	30,764
NET DEBT, BEGINNING OF YEAR	(14,718)	(14,718)	(45,482)
NET DEBT, END OF YEAR	(18,134)	(24,027)	(14,718)

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

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020 (in thousands of dollars)

	2020	2019
OPERATING ACTIVITIES		
Annual operating (deficit) surplus	(29,540)	25,865
Items not affecting cash and cash equivalents		
Amortization of tangible capital assets	7,253	7,969
Effective rate debt adjustment	30	50
Loss on disposal and write-off of tangible capital assets	58	816
Unrealized foreign exchange gain (loss) on cash and non-cash working capital items denominated in foreign currencies	502	(120)
	(21,697)	34,580
Changes in assets and liabilities related to operating activities		
Accounts receivable	(3,402)	1,087
Inventories held for sale	1,134	(7,288)
Accounts payable and accrued liabilities	(813)	3,221
Deferred grants from the Gouvernement du Québec	2,380	(750)
Advance from the Gouvernement du Québec	13,752	(16,708)
Employee future benefit liability	728	367
Prepaid expenses	(386)	397
Supply inventories	(404)	(262)
Cash flows related to operating activities	(8,708)	14,644
CAPITAL ACTIVITIES		
Additions to tangible capital assets	(2,998)	(4 245)
Proceeds on disposal of tangible capital assets	–	88
Cash flows related to capital activities	(2,998)	(4 157)
FINANCING ACTIVITIES		
Line of credit	13,022	–
Increase in debt	6,785	2,481
Debt repayment	(9,925)	(8,210)
Cash flows related to financing activities	9,882	(5,729)
CHANGE IN CASH AND CASH EQUIVALENTS	(1,824)	4,758
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,403	12,645
CASH AND CASH EQUIVALENTS, END OF YEAR	15,579	17,403
ADDITIONAL INFORMATION		
Interest paid	854	946
Interest received	643	944
Additions to tangible capital assets funded by accounts payable and accrued liabilities	895	196

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

Notes to financial statements

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

1. INCORPORATION AND NATURE OF OPERATIONS

Héma-Québec, constituted on March 26, 1998 by letters patent issued under Part III of the Companies Act (CQLR, chapter C 38), is continued in accordance with the provisions of the *Act respecting Héma-Québec and the biovigilance committee* (CQLR, chapter H-1.1). Héma-Québec's mission is to efficiently meet the needs of the Québec population for quality blood and other biological products of human origin. Héma-Québec operates in a regulated environment in compliance with the requirements of the *Food and Drug Act* (R.S.C. 1985, c. F-27) and its related regulations. To fulfil its mission, Héma-Québec also meets the requirements and regulations of several Canadian and international standards. Under the *Income Tax Act* (R.S.C. 1985, c. 1, 5th Supp.) and the *Taxation Act* (CQLR, chapter 1-3), Héma-Québec is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

For purposes of preparing financial statements, Héma-Québec mainly uses the *CPA Canada Handbook – Public Sector Accounting*. The use of any other source in the application of accounting policies must be consistent with the latter.

Use of estimates

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 capital assets, the valuation of inventories held for sale and the employee future benefit liability. Actual results could differ from Management's best estimates.

Financial instruments

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

Cash and cash equivalents	Cost
Trade accounts receivable and other receivables	Cost
Line of credit	Cost
Trade accounts payable, salaries and accrued vacation	Cost
Advance from the Gouvernement du Québec	Cost
Derivatives	Fair value
Debt and accrued interest payable	Amortized cost using the effective interest method

Héma-Québec uses derivative financial instruments to manage currency risk. Unrealized gains and losses on foreign exchange contracts are recognized until the settlement period in the statement of remeasurement gains and losses, and upon settlement, the accumulated balance of remeasurement gains or losses is reclassified as a foreign exchange gain or loss under expenses in the statement of operations and accumulated surplus.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fair value hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy requires the use of observable market data whenever available. The fair value hierarchy has the following levels:

Level 1: The fair value of the instrument is determined using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of the instrument is determined using inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: The fair value of the instrument is determined using inputs that are not based on observable market data (unobservable inputs).

Derivative financial instruments are classified within Level 2 of the fair value hierarchy (the fair value of derivatives is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)).

REVENUS

Revenues are accounted for on an accrual basis. Revenues resulting from the sale of 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 Gouvernement du Québec grants are recognized in the period where events giving rise to such revenues occurred, provided the grants are authorized and all eligibility criteria, if any, are met. Grants are presented as deferred grants where transferor imposed stipulations create an obligation that meets the definition of a liability. Deferred grants are transferred to revenues as the liability is settled.

EXPENSES

Employee benefit plans

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

The cost of retirement benefits for the period is actuarially determined using the projected benefit method prorated on service. The cost of retirement benefits is measured using net current period benefit cost, amortization of actuarial gains and losses, and employee future benefit obligation interest expense, less the expected return on plan assets. Plan amendments give rise to a past service cost, which is recognized as an expense in the year of the amendments, net of the unamortized balance of discounted gains or losses, if any.

Employee future benefit obligations 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.

Notes to financial statements

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee benefit plans (cont'd)

Assets and expected return on plan assets are valued using a five-year smoothed market value method.

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 employee future 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.

A valuation allowance is recorded for any excess of the adjusted value of the accrued benefit asset (that is, the value of the accrued benefit asset less unamortized net actuarial losses) over the expected future benefit (that is, any withdrawable surplus or reduction in future contributions).

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

FINANCIAL ASSETS**Cash and cash equivalents**

Héma-Québec's policy consists in presenting in the cash and cash equivalents line item bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, as well as the line of credit used to make up cash deficiencies when they are held by the same institution.

Inventories held for sale

Inventories held for sale, consisting of stocks of blood products (labile and stable) and innovative products (cord blood, human tissues and mother's milk), are measured at the lower of cost and net recoverable amount, with cost determined using the average cost method. The net recoverable amount is the estimated selling price less costs to sell.

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. Exchange rate fluctuations give rise to foreign exchange gains or losses that are recognized until the settlement period in the statement of remeasurement gains and losses and, upon settlement, the accumulated balance of remeasurement gains or losses is reclassified as a foreign exchange gain or loss in expenses in the statement of operations and accumulated surplus.

LIABILITIES**Advance from the Gouvernement du Québec**

The Ministère de la Santé et des Services sociaux (MSSS) annually confirms a budgetary level with Héma-Québec for the acquisition of blood products by hospitals. Héma-Québec therefore records, under Advance from the Gouvernement du Québec, the amounts received from the MSSS, which acts as a third party payor the purchase of labile and stable products on behalf of hospitals. Any payment below the proceeds from sales of blood products to hospitals becomes an amount receivable from the government, while any payment exceeding the sales of blood products to hospitals is recovered in accordance with a timeline agreed upon between the MSSS and Héma-Québec.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

NON-FINANCIAL ASSETS

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

Tangible capital assets

Tangible capital assets are recorded at cost, which consists of expenses directly attributable to their acquisition, and amortized on a straight-line basis over their useful lives commencing on the date they are ready for commissioning, using the following periods:

Building, betterment to building and other	from 10 to 25 years
Machinery and automotive equipment	5 and 10 years
Office furniture and equipment	5 and 10 years
Computer hardware and software	3 years
Systems development	5 and 7 years

Land and tangible capital assets under construction or development are not amortized.

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 reduced to reflect the decline in the asset's value. Writedowns are accounted for as expenses for the year in the statement of operations and accumulated surplus and are not subsequently reversed.

INTER-ENTITY TRANSACTIONS

Inter-entity transactions are transactions entered into between entities controlled or subject to joint control by the Gouvernement du Québec.

Assets received for no consideration from a Gouvernement du Québec reporting entity are recognized at their carrying amount. Services received at no cost are not recognized. The other interentity transactions were carried out at the exchange amount, which is the amount of the consideration agreed for the item transferred or service provided.

3. BLOOD PRODUCTS

The budgeted prices for all blood products are submitted every year to SigmaSanté, which is the joint procurement group designated by the Minister of Health and Social Services under Division VI of the *Act respecting Héma-Québec and the biovigilance committee*. Following consultations with the Blood System Procurement and Financing Management Committee (PFMC), the budgeted prices are confirmed by SigmaSanté. The PFMC is an advisory committee to the 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.

Notes to financial statements

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

4. EXPENSES

					2020	2019
	STABLE PRODUCTS	LABILE PRODUCTS	INNOVATIVE PRODUCTS ¹	SIIATH EXPERTISE ²	TOTAL	TOTAL
Stable products	239,641	–	–	–	239,641	229,901
Salaries and benefits	5,794	91,581	12,098	943	110,416	102,503
Blood drives	1,741	14,981	313	–	17,035	16,691
Medical supplies	752	9,573	5,716	–	16,041	16,089
Buildings and premises	72	10,708	299	93	11,172	11,512
Amortization of tangible capital assets	765	6,125	362	–	7,252	7,969
Purchase of cord blood, stem cells, labile products and human tissues	–	128	6,115	–	6,243	4,286
Purchased services	6,860	(9,095)	7,752	152	5,669	4,034
Other expenses	115	5,046	367	9	5,537	4,416
Freight and shipping	62	4,397	822	1	5,282	4,877
Advertising and public relations	13	4,332	128	–	4,473	3,516
Information technology	–	3,597	5	39	3,641	3,003
Interest on long-term debt	–	846	–	–	846	943
Insurance	–	633	–	–	633	460
Other interest and bank charges	–	51	–	–	51	106
Loss on disposal of tangible capital assets	–	22	3	–	25	274
Foreign exchange (gain)	(371)	(2)	–	–	(373)	(5,332)
Subtotal	255,444	142,923	33,980	1,237	433,584	405,248
Plasma for fractionation ³	16,999	(16,999)	–	–	–	–
Change in inventories ⁴	54	(557)	(1,611)	–	(2,114)	(3,733)
Total	272,497	125,367	32,369	1,237	431,470	401,515

¹ Innovative products comprise the following activity sectors: stem cells, human tissues and mother's milk.

² SIIATH expertise includes activities related to the Système d'information intégré sur les activités transfusionnelles et d'hémovigilance awarded by the MSSS.

³ Some expenses related to plasma extraction are reallocated to stable products based on litres of plasma shipped to the fractionator.

⁴ Change in inventories includes plasma for fractionation, labile products, cord blood, mother's milk and human tissues.

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

5. ACCUMULATED OPERATING SURPLUS (DEFICIT)

As required by the provisions of section 25 of the *Act respecting Héma-Québec and the biovigilance committee*, any funding surpluses resulting from the application of prices are paid into the General Fund of the Consolidated Revenue Fund, unless a prior agreement between the Minister of Health and Social Services and Héma-Québec is entered into on the use of the surplus.

Héma-Québec remitted the surplus of \$25.865 million for the year ended March 31, 2019, to the hospitals in the form of credit notes, as agreed upon with the Minister of Health and Social Services.

6. ACCOUNTS RECEIVABLE

	2020	2019
Commodity taxes	2,220	1,595
Trade accounts receivable	2,716	2,111
Other receivables	3,232	1,831
	8,168	5,537

7. INVENTORIES HELD FOR SALE

	2020	2019
Stable products	31,696	34,944
Plasma for fractionation	22,049	21,903
Labile products	3,201	2,844
Cord blood	1,913	935
Human tissues	1,648	862
Mother's milk	–	153
	60,507	61,641

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade accounts payable	19,818	20,300
Salaries and accrued vacation	11,987	11,707
Benefits	3,880	3,843
Deferred revenues	953	895
Accrued interest payable	62	69
	36,700	36,814

Notes to financial statements

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

9. DEFERRED GRANTS FROM THE GOUVERNEMENT DU QUÉBEC

In February 2020, the MSSS authorized Héma-Québec to defer the surplus balance of the grant, to be used only for the purposes intended. The changes are explained as follows:

	2020	2019
Balance, beginning of year	6,466	5,674
Grants awarded	39,902	34,477
Transfer to revenues: Synagis products and other services	(31,827)	(31,976)
MSSS recovery	(6,466)	(1,709)
Balance, end of year	8,075	6,466

10. CREDIT FACILITIES

Héma-Québec was authorized by the Minister of Health and Social Services to establish a borrowing plan under section 78 of the *Financial Administration Act* (CQLR, chapter A 6.001). Under this borrowing plan, Héma-Québec may borrow over the short term or under line of credit from financial institutions or the Québec Minister of Finance, as manager of the Financing Fund, and over the long term from said Minister.

The authorized amount for the April 1, 2018 to March 31, 2021 period is for requirements not exceeding \$94.6 million. The borrowings provided for under this plan serve primarily to fund bank overdrafts, asset acquisitions and renewals, loan renewals and the implementation of product safety improvement projects. Héma-Québec's borrowing terms comprise rates similar or equivalent to Gouvernement du Québec rates. Under this plan, Héma-Québec had drawn down \$13 million on its line of credit as at March 31, 2020 (undrawn as at March 31, 2019).

Héma-Québec also has a \$15 million revolving line of credit with a financial institution under terms that may be changed at the bank's option. As at March 31, 2020 and 2019, this line of credit, which is repayable at any time, was undrawn.

11. DEBT

	2020	2019
Borrowings from the Financing Fund repayable in monthly instalments of 531 (principal only) (504 in 2019), at fixed rates ranging from 1.34% to 3.31% (1.54% to 3.31% in 2019), maturing from 2021 to 2034	26,096	25,726
Borrowings from the Financing Fund repayable in monthly instalments of 83 (principal only) (124 in 2019), at fixed rates ranging from 1.80% to 3.93% (1.80% to 3.93% in 2019), renewable from 2021 to 2023 and maturing from 2024 to 2031	7,789	11,269
	33,885	36,995

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

2021	7,150
2022	6,435
2023	5,477
2024	4,472
2025	2,847
2026 and thereafter	7,628

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

12. EMPLOYEE FUTURE BENEFIT LIABILITY

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. Actuarial valuations of the retirement plans were carried out as at December 31, 2017. The employee future benefit obligations shown as at March 31, 2020 and retirement benefit expense for the fiscal year then ended are based on an extrapolation of the latest actuarial valuations.

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.

The actuarial valuations of the other post-retirement and post-employment benefit plans were carried out as at January 1, 2019. The employee future benefit obligations shown as at March 31, 2020 and retirement benefit expense for the fiscal year then ended are based on an extrapolation of that latest actuarial valuation.

Héma-Québec also has defined contribution plans under which the commitment is limited to the total value of the individual accounts of plan participants. No expense was recognized in these plans during the year.

Actuarial gains and losses are amortized over the expected average remaining service life of active participating employees, which is 11 years for the unionized employee pension plan, 13 years for the non-unionized employee pension plan, 5 years for the supplemental pension plan, 13 years for the extended health and life insurance plans and 2 years for post employment benefits.

CLASSIFICATION OF EMPLOYEE FUTURE BENEFIT LIABILITY

	2020	2019
Pension plans	5,209	5,203
Other plans	7,373	6,651
Total employee future benefit liability	12,582	11,854

RECONCILIATION OF FINANCIAL POSITION

	2020		2019	
	PENSION PLANS	OTHER PLANS	PENSION PLANS	OTHER PLANS
Pension plan assets	275,291	–	262,362	–
Employee future benefit obligation	253,964	6,090	231,804	6,097
Financial position surplus (deficit)	21,327	(6,090)	30,558	(6,097)
Unamortized actuarial gains	(5,869)	(1,283)	(21,231)	(554)
Valuation allowance	(20,667)	–	(14,530)	–
Employee future benefit liability, end of year	(5,209)	(7,373)	(5,203)	(6,651)

Notes to financial statements

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

12. EMPLOYEE FUTURE BENEFIT LIABILITY (cont'd)**EMPLOYEE FUTURE BENEFIT OBLIGATIONS**

	2020		2019	
	PENSION PLANS	OTHER PLANS	PENSION PLANS	OTHER PLANS
Employee future benefit obligation, beginning of year	231,804	6,097	228,178	5,674
Current period benefit cost	12,640	4,641	12,252	4,119
Interest expense on obligation	12,639	73	12,049	97
Benefits paid	(10,464)	(3,992)	(9,198)	(4,244)
Cost of amendments	–	–	145	–
Actuarial loss (gain)	7,345	(729)	(11,622)	451
Employee future benefit obligation, end of year	253,964	6,090	231,804	6,097

PENSION PLAN ASSETS

	2020		2019	
	PENSION PLANS	OTHER PLANS	PENSION PLANS	OTHER PLANS
Pension plan assets, beginning of year	262,362	–	242,663	–
Employer contributions	9,567	–	8,664	–
Employee contributions	6,196	–	5,593	–
Expected return on plan assets	14,576	–	12,995	–
Benefits paid	(10,464)	–	(9,198)	–
Actuarial (loss) gain on plan assets	(6,946)	–	1,645	–
Pension plan assets, end of year	275,291	–	262,362	–

FAIR VALUE OF PLAN ASSETS AS AT MARCH 31

	2020		2019	
Bonds	31,875	13%	32,048	12%
Shares	41,344	16%	43,221	17%
Other	180,031	71%	182,654	71%
Total	253,250	100%	257,923	100%

12. EMPLOYEE FUTURE BENEFIT LIABILITY (cont'd)**ACTUAL RETURN ON PLAN ASSETS**

	2020	2019
Expected return on plan assets	14,576	12,995
Actual return on plan assets	7,630	14,640
Actuarial (loss) gain on plan assets	(6,946)	1,645
Actual rate of return	2.88%	5.97%

EMPLOYEE FUTURE BENEFIT EXPENSE FOR THE YEAR

	2020		2019	
	PENSION PLANS	OTHER PLANS	PENSION PLANS	OTHER PLANS
Current period net benefit cost	6,444	4,641	6,659	4,119
Cost of amendments	–	–	145	–
Amortization of actuarial (gains) losses	(1,071)	–	153	–
Change in valuation allowance	6,137	–	3,049	–
Benefit expense	11,510	4,641	10,006	4,119
Interest expense on obligation	12,639	73	12,049	97
Expected return on plan assets	(14,576)	–	(12,995)	–
Benefit interest expense	(1,937)	73	(946)	97
Total benefit expense	9,573	4,714	9,060	4,216

SIGNIFICANT ASSUMPTIONS

	2020		2019	
	PENSION PLANS	OTHER PLANS	PENSION PLANS	OTHER PLANS
Employee future benefit obligation as at March 31				
Discount rate	5.20%	2.00%	5.50%	2.40%
Rate of compensation increase	3.25%	3.25%	3.25%	3.25%
Inflation rate	2.00%	–	2.00%	–
Benefit expense for the years ended March 31				
Discount rate	5.50%	2.40%	5.30%	2.80%
Expected rate of return on plan assets	5.50%	–	5.30%	–
Rate of compensation increase	3.25%	3.25%	3.40%	3.40%
Demographic factors				
Mortality	CPM-2014 projected using improvement scale CPM-B		CPM-2014 projected using improvement scale CPM-B	

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

13. TANGIBLE CAPITAL ASSETS

2020							
	LAND	BUILDING, BETTERMENT TO BUILDING AND OTHER	MACHINERY AND AUTOMOTIVE EQUIPMENT	OFFICE FURNITURE AND EQUIPMENT	COMPUTER HARDWARE AND SOFTWARE	SYSTEMS DEVELOPMENT	TOTAL
Cost							
Opening balance	2,140	48,953	29,968	4,918	13,501	17,225	116,705
Acquisitions	–	864	1,460	102	716	555	3,697
Disposals and write-off	–	–	(539)	–	(679)	(127)	(1,345)
Closing balance*	2,140	49,817	30,889	5,020	13,538	17,653	119,057
Accumulated amortization							
Opening balance	–	30,049	20,820	4,358	11,771	12,699	79,697
Amortization for the year	–	2,562	2,028	89	832	1,742	7,253
Disposals and write-off	–	–	(484)	–	(676)	(127)	(1,287)
Closing balance	–	32,611	22,364	4,447	11,927	14,314	85,663
Net carrying amount	2,140	17,206	8,525	573	1,611	3,339	33,394

2019							
	LAND	BUILDING, BETTERMENT TO BUILDING AND OTHER	MACHINERY AND AUTOMOTIVE EQUIPMENT	OFFICE FURNITURE AND EQUIPMENT	COMPUTER HARDWARE AND SOFTWARE	SYSTEMS DEVELOPMENT	TOTAL
Cost							
Opening balance	2,140	48,913	30,230	4,755	12,928	17,627	116,593
Acquisitions	–	1,193	944	180	1,192	265	3,774
Disposals and write-off	–	(1,153)	(1,206)	(17)	(619)	(667)	(3,662)
Closing balance*	2,140	48,953	29,968	4,918	13,501	17,225	116,705
Accumulated amortization							
Opening balance	–	28,471	19,473	4,272	11,415	10,855	74,486
Amortization for the year	–	2,534	2,453	103	972	1,907	7,969
Disposals and write-off	–	(956)	(1,106)	(17)	(616)	(63)	(2,758)
Closing balance	–	30,049	20,820	4,358	11,771	12,699	79,697
Net carrying amount	2,140	18,904	9,148	560	1,730	4,526	37,008

*The closing balance includes the following tangible capital assets under development:

	LAND	BUILDING, BETTERMENT TO BUILDING AND OTHER	MACHINERY AND AUTOMOTIVE EQUIPMENT	OFFICE FURNITURE AND EQUIPMENT	COMPUTER HARDWARE AND SOFTWARE	SYSTEMS DEVELOPMENT	TOTAL
2020	–	930	489	38	384	66	1,907
2019	–	1,036	88	91	410	121	1,746

14. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk management

In the normal course of its 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.

I. Credit risk

Credit risk is the risk that one entity's failure to discharge an obligation under a financial instrument will cause a financial loss for the other party. Héma-Québec is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, where there is a concentration of transactions with a same party or a concentration of third party financial obligations with similar economic characteristics that would be affected in the same way by future developments. Héma-Québec's financial instruments exposed to credit risk include the following line items: cash and cash equivalents, trade accounts receivable, other receivables and derivatives.

The credit risk associated with cash and cash equivalents is limited as the counterparty is a Canadian chartered bank which is assigned a high credit rating by national rating agencies.

Credit risk arising from trade accounts receivable is limited as they primarily involve public bodies that are Gouvernement du Québec reporting entities. Such receivables are collectible during the following year.

Other receivables primarily include amounts receivable under contractual agreements with suppliers and a client. Credit risk is limited as these receivables are provided for under the contracts and Héma-Québec has met its purchase obligations. These amounts are collectible within 60 days after the end of the fiscal year.

The credit risk arising from derivatives is limited as Héma-Québec deals with the Financing Fund which is assigned a high credit rating by national rating agencies.

The carrying amount of Héma-Québec's financial instruments exposed to credit risk represents the maximum amount of credit risk to which the organization is exposed and totalled \$40.3 million (\$23.2 million in 2019) in the statement of financial position. None of these financial instruments was impaired and Management estimates that the credit quality of all instruments which have not been impaired or are not past due is strong as at the date of the financial statements (\$80K as at March 31, 2019).

II. Liquidity risk

Liquidity risk is the risk that Héma-Québec will not have the necessary funds to meet a demand for cash or fund its obligations associated with financial liabilities as they come due. Liquidity risk also includes the risk that Héma-Québec will not be able to liquidate its financial assets on a timely basis at a reasonable price.

Héma-Québec actively manages its cash and cash equivalents that arise from its operations and believes it has sufficient liquidity and credit facilities to ensure the necessary funds to meet its current and long-term financial obligations at a reasonable cost, if required. Credit facilities are disclosed in note 10.

Notes to financial statements

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

14. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

II. Liquidity risk (cont'd)

As at March 31, 2020 and 2019, the contractual maturities of the financial liabilities were as follows:

	2020			TOTAL	CARRYING VALUE
	2021	2022	2023 AND THEREAFTER		
Trade accounts payable, salaries and accrued vacation	31,805	–	–	31,805	31,805
Line of credit	13,022	–	–	13,022	13,022
Advance from the Gouvernement du Québec	22,786	–	–	22,786	22,786
Interest on debt	737	588	1,555	2,880	3,004
Debt	7,150	6,435	20,424	34,009	33,885
Total non-derivative financial instruments	75,500	7,023	21,979	104,502	104,502

	2019			TOTAL	CARRYING VALUE
	2020	2021	2022 AND THEREAFTER		
Trade accounts payable, salaries and accrued vacation	32,007	–	–	32,007	32,007
Advance from the Gouvernement du Québec	9,034	–	–	9,034	9,034
Interest on debt	881	719	2,150	3,750	3,597
Debt	7,496	6,078	23,421	36,995	37,148
Total non-derivative financial instruments	49,418	6,797	25,571	81,786	81,786

III. Market risk

Market risk is the risk that the market value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is threefold, comprising interest rate risk, currency risk and other price risk.

Héma-Québec is exposed to interest rate risk and currency risk.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

The line of credit bears interest at a variable rate, subjecting Héma-Québec to a cash flow risk. As at March 31, 2020, if the interest rate in effect had increased or decreased by 10%, the variation in operating surplus would not have been material.

Héma-Québec's debt bears interest on a fixed rate basis. Accordingly, Héma-Québec's exposure to interest rate risk related to its cash flows is minimal, as Héma-Québec does not intend to early repay debt.

Currency risk:

In the normal course of operations, Héma-Québec purchases its stable products primarily in U.S. dollars and is therefore exposed to fluctuations in that currency. 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, medical supplies, blood drive supplies, stem cells, cord blood and human tissues, Héma-Québec entered into 26 foreign exchange contracts to cover 90% of its expected foreign currency requirements in an amount of US\$187.9 million at a rate of 1.319 for the period from April 2, 2020 to March 18, 2021 (in 2019, 26 foreign exchange contracts in an amount of US\$156 million at a rate of 1.324 for the period from April 4, 2019 to March 19, 2020).

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

14. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

III. Market risk (cont'd)

Currency risk:

As at March 31, 2020, unrealized gains on foreign exchange contracts in the amount of \$18.8 million were recognized in the statement of remeasurement gains and losses (unrealized gains of \$1.9 million as at March 31, 2019) and were measured based on the difference between the foreign currency contract purchase rates and the rate of 1.4187 on quoted prices (unadjusted) in active markets for identical instruments (1.3363 as at March 31, 2019).

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

	2020	2019
U.S. DOLLARS		
Cash and cash equivalents	12,280	5,285
Trade accounts receivable and other receivables	626	663
Trade accounts payable	4,565	5,756
EUROS		
Trade accounts receivable and other receivables	37	–
Trade accounts payable	93	150
OTHER CURRENCIES		
Trade accounts payable	–	1

Based on the financial assets and liabilities denominated in foreign currencies held by Héma-Québec as at the date of the financial statements, a 3% change in the U.S. dollar exchange rate (3% in 2019), corresponding to market volatility in the last 12 months, would not have any material effect on the operating surplus or on the remeasurement gains and losses.

15. CONTRACTUAL OBLIGATIONS

Héma-Québec has entered into long-term leases expiring at various dates over the next 18 years for its operating facilities and administrative premises. In some instances, the leases for premises include renewal options of up to 10 years. The lease expense for the premises for the year ended March 31, 2020 amounted to \$3.5 million (\$3.7 million in 2019).

Future minimum payments under long-term leases total \$33.7 million (\$37.1 million as at March 31, 2019) and are as follows:

2021	3,462
2022	3,386
2023	3,294
2024	3,041
2025	2,487

Notes to financial statements

Year ended March 31, 2020 (tabular amounts are in thousands of dollars, unless otherwise indicated)

2026 and thereafter	17,990
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16. CONTINGENCIES

Héma-Québec is exposed to various claims and legal actions in the normal course of operations. Management believes that potential outlays arising from those disputes have been sufficiently provisioned and foresees no adverse material effect on the financial position or results of Héma-Québec.

17. RELATED PARTY TRANSACTIONS

Héma-Québec is related to all entities controlled or jointly controlled by the Gouvernement du Québec. It is also related to its key management personnel, their close relatives and to entities for which one or more of these persons have the power to determine the financial and administrative decisions. Key management personnel consists of members of the Board of Directors and Management Committee and the President and Chief Executive Officer of Héma-Québec.

Héma-Québec has entered into no significant transactions with related parties at a value different from that which would have been arrived at had the parties not been related.

18. IMPACT OF THE GLOBAL CORONAVIRUS (COVID-19) PANDEMIC

In March 2020, the World Health Organization (WHO) declared a global pandemic of coronavirus disease 2019 (COVID 19). The situation is in constant evolution and the measures put in place are having numerous economic impacts at the global, national, provincial and local levels. This situation also led the Gouvernement du Québec on March 13, 2020 to declare a state of health emergency along with certain measures, including a ban on indoor gatherings of more than 250 people, the closure of schools and public places, and the enforcement of physical distancing, all of which had an impact on Héma-Québec's operations. Furthermore, as of March 23, 2020, the Gouvernement du Québec also ordered all stores and businesses in Québec to close, with the exception of essential services. Their gradual reopening was only announced in May and June, which also contributed significantly to the complexity of maintaining Héma-Québec's operations.

Management is closely monitoring the evolution of the pandemic and believes that this situation will have a significant financial impact for the next fiscal year. In order to continue providing the essential services relating to its mission, Héma-Québec introduced teleworking for its administrative employees, the use of consultants and the temporary hiring of staff through a specialized firm, and authorized unanticipated purchases of equipment and supplies, in particular personal protective equipment (PPE). Héma-Québec was also obliged to issue new contracts to procure fractionation products (stable products), in particular IVIg, at a significant cost, in order to mitigate delivery delays encountered in the fulfilment of existing contracts for imports of these products caused by the impact of the COVID-19 pandemic on the collection and processing of plasma products. As a result, Management believes that this situation will have a significant impact on the financial results for fiscal 2020–2021, in particular, due to the costs related to the unanticipated hires and the new supply contracts.

19. COMPARATIVE FIGURES

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

The 2019–2020 Annual Report is published by the
Vice-présidence à l'expérience clientèles et à l'intelligence d'affaires.

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This document is only available in electronic form.

*Original text in French. In the event of a discrepancy between
the English and French versions, the latter will prevail.*

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Bibliothèque et Archives nationales du Québec, 2020
Bibliothèque et Archives Canada, 2020

ISSN 1929-5308 (PDF version)

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