

# **Forestry Innovation Investment**

## **2026/27 – 2028/29 Service Plan**

**February 2026**



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## Board Chair's Accountability Statement



The 2026/27 – 2028/29 Forestry Innovation Investment Service Plan was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act. This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of February 2026 have been considered in preparing the plan. The performance measures presented are consistent with the Budget Transparency and Accountability Act, Forestry Innovation Investment's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of Forestry Innovation Investment's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:



Rick Doman  
Board Chair, Forestry Innovation Investment  
February 4, 2026

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## Strategic Direction

In 2026/27, the public sector organizations will do their part to support the Government of British Columbia's prioritizing support for people by taking action to make life better for everyone.

Despite a challenging fiscal environment due to global uncertainty, trade relationship reordering, and low resource prices, over the past year Government made significant progress on efforts to reduce costs for British Columbians, hire more doctors and nurses, and build more homes, hospitals and schools, faster. Crown Agencies will continue to advance these key priorities even as tariffs, trade policies, and instability outside of the province's borders continue to put pressure on the province's finances.

Ongoing fiscal pressure means all parts of Government, including Crown Agencies must continue to do their part to maximize efficiencies and make sure every dollar counts.

To respond to these extraordinary times, Crown Agencies will support Government's focus on expanding trade and investment both within Canada and abroad and delivering major projects that offer good jobs and opportunities for people and communities. This focus on economic growth and prosperity is critical to delivering the revenue needed to provide services and infrastructure.

Good relationships and mutually beneficial partnerships with First Nations are critical to building a better future for everyone in British Columbia. Crown Agencies will continue supporting efforts to implement the [Declaration on the Rights of Indigenous Peoples Act Action Plan](#). Through collaboration and open dialogue, we aim to foster trust, stability and certainty for all.

This 2026/27 service plan outlines how Forestry Innovation Investment will support the Government's priorities and selected action items identified in the most recent [Mandate Letter](#).

## Purpose of the Organization and Alignment with Government Priorities

Forestry Innovation Investment (FII) is the Government of B.C.'s market development agency for forest products. FII works with the forest industry and government to develop and diversify demand for B.C. forest products in Canada and in key world markets; promote B.C.'s forest products and forest management to the global marketplace; and help ensure that the forest sector, through innovation and strong international sales, continues to be a leading contributor to the B.C. economy.

In pursuing its mandate, FII uses a collaborative delivery model for its programs. Under this model, FII works with the forest industry, research institutions, government, Indigenous organizations and other partners to deliver a mix of research and capacity building, as well as market development and promotional activities. This approach takes advantage of partner

expertise and marketing networks and ensures program costs are shared with other organizations, including industry. FII also works closely with Natural Resources Canada, B.C.'s Trade and Investment Representatives, as well as Canadian Trade Commissioners in select global markets. By leveraging these partnerships, FII is able to lead a comprehensive effort to diversify B.C.'s exports to priority markets and to foster greater capacity and innovation in the domestic manufacturing sector.

FII receives its mandate letter direction from the Ministry of Forests (FOR) and supports the Government's strategic direction to FOR and the Ministry of Jobs and Economic Growth (JEG).

FII's mandate is closely aligned with a range of government priorities, with FII actively collaborating with and supporting other agencies and partners in areas of common interest. This includes working with both FOR and JEG staff on accelerating market diversification efforts—both in B.C./Canada and in key global markets—to expand opportunities for B.C. wood products and reduce reliance on the U.S. market. Collaboration with JEG, FOR and agencies across government is helping to advance the use of engineered wood products, mass timber wood building solutions, and off-site prefabricated building solutions. Expanding the use of mass timber products at home in B.C. and in export markets contributes to the Province's green building objectives by reducing greenhouse gas emissions from construction and to securing greater value from B.C.'s forest resource. Work with BC Housing and the Ministry of Housing and Municipal Affairs supports the expansion of building codes and the development of taller, advanced wood building solutions to enhance affordability objectives and the availability of rental housing in the province. Collaboration with JEG, FOR and others will support the advancement of off-site prefabricated construction, to address growing housing needs, address labour shortages in the construction sector, and respond to Canada's [Build Canada Homes strategy](#) of doubling residential construction in Canada by 2035. Across all activities, FII is committed to advancing reconciliation with Indigenous Peoples and diversity, equity and inclusion principles. In doing so, FII works with the B.C. government, First Nations and other partners to understand the diverse needs of different groups to ensure equitable access, and to explore opportunities to make a positive impact.

Details on FII's mandate, governance, goals and values, locations, and organizational structure are available at [www.bcfii.ca](http://www.bcfii.ca), as are previous Service Plans and Annual Service Plan Reports.

## Economic Statement

B.C.'s economy saw mixed performance among sectors in 2025 amid U.S. tariffs and related global economic uncertainty and declining B.C. population growth. Consumer spending was strong through the first half of the year, supported by front-loaded spending ahead of U.S. tariffs (particularly for automobiles), lower inflation and interest rates, but spending has slowed in recent months. Residential construction remained above average in 2025 despite declining from the high levels of activity seen in recent years, and home sales were subdued in 2025. Meanwhile other investment indicators (such as public sector investment and commercial building permits) saw steady growth despite headwinds from economic uncertainty. B.C.'s exports have been resilient amid U.S. tariffs. The value of international

exports was unchanged as lower forestry exports and coal prices offset higher values of natural gas and copper exports.

The Economic Forecast Council (EFC) estimates that B.C. real GDP grew by 1.5 per cent in 2025. In the near-term, the EFC expects B.C.'s economy to also grow by 1.5 per cent in 2026 and by 1.9 per cent in 2027, similar to the national average. For Canada, the EFC estimates growth of 1.6 per cent in 2025 and projects national real GDP growth of 1.3 per cent in 2026 and 1.9 per cent in 2027.

A volatile global trade conflict as well as immigration and population fluctuations are the main risks to the outlook. Other risks include commodity price instability, renewed inflationary pressures leading to elevated interest rates, prolonged housing market weakness, and climate change impacts.

## Performance Planning

### Goal 1: Forest products are viewed as environmentally friendly, and B.C. is viewed as a reliable global supplier of quality products from sustainably managed forests

British Columbia is home to over 11 percent of the world's certified forests, while Canada overall accounts for 44 percent of all certified forests globally. Results from university and independent international consultant reviews conclude that B.C.'s inclusive approach to tough and ever-evolving forest regulations, combined with independent certification, make the province a globally preferred supplier of forest products from sustainably managed forests.

FII is focused on expanding opportunities for B.C. forest products by positioning wood, and wood-based products from B.C., as the first choice for a diverse range of high-quality, environmentally friendly building materials and bioproducts. This goal creates a solid foundation for answering the questions, "Why wood?" and "Why wood from B.C.?", upon which many of FII's other market development investments and activities are based.

Strategies under Goal 1 are delivered primarily through FII's Market Outreach program in consultation with an independent Market Acceptance Advisory Committee, including senior government and industry. Progress is tracked via performance targets established by FII with quarterly reporting across the year.

### Performance Measures

Performance Measure	2023/24 Baseline	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
1a Percent of target customers who perceive that forest products from B.C. are sustainable choice <sup>1</sup>	90%	90%	N/A	90%	N/A

Data source: Leger - The Research Intelligence Group. Analysis of Market Acceptance Issues.

<sup>1</sup>Surveys are conducted biennially.

### Discussion

Performance Measure 1a provides an indication over time of the effectiveness of FII's international advocacy and communications initiatives to influence customer perceptions of B.C. and its forest management practices. Performance data is gathered through a biennial survey of international customers (pulp and paper buyers, wood importers and distributors, and pellet purchasers). The survey is a cooperative undertaking between FII, its overseas offices and other partners such as the [Canadian Council of Forest Ministers](#). The data is gathered by an independent market research firm via an online survey. The survey, which is focused on environmental perspectives, identifies the percentage of international customers



who agree that B.C.'s reputation in sustainable forestry practices is as good, or better than, competing forest product jurisdictions.

For future targets, FII and its partners agree that maintaining a 90 percent rating represents optimal performance levels.

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
1b Number of visitors engaging with B.C. manufacturers in the naturallywood.com Supplier Directory, an online platform developed by FII <sup>1</sup>	40,000	30,000	33,000	36,300

Data source: Forestry Innovation Investment Ltd/Google Analytics.

<sup>1</sup>Performance measure 1b formerly tracked the number of engagements (clicks to supplier content and contact information) in the directory. From 2026/27 onwards, the measure will track the number of 'engaged visitors' (visitors engaging with supplier profiles) on the directory. Forward-looking targets have been adjusted to reflect this change.

## Discussion

[naturallywood.com](https://naturallywood.com) provides information on B.C.'s forests, forest management, forest products and building expertise. The website, which hosts the [B.C. Wood Supplier Directory](#), is FII's key information portal for the B.C. design and construction community, and it serves as the foundation of a digitally centred communications strategy that is strategically extended to global markets.

The naturally:wood Supplier Directory profiles over 375 B.C. wood manufacturers and service providers. Performance measure 1b tracks visitors to the Supplier Directory where they can search for B.C. wood products and engage directly with suppliers through the search functions and profiles (phone, map, email and website). Collecting this type of visitor data and increasing the target year-over-year shows growing awareness and commercial interest in B.C. forestry products domestically and abroad.

## Objective 1.1: Market opportunities for B.C. forest products are expanded by communicating the merits of building with wood

This objective focuses on promoting the performance benefits of wood as a durable, low-carbon, healthy, and renewable material, positioning B.C. as a world leader in timber design and construction.

### Key Strategies

- Publish weekly wood and mass timber insights through naturally:wood's digital channels (web, email, socials, events, and paid/earned media) focusing on emerging research and information, and learnings from B.C.'s [Mass Timber Demonstration Program](#) (MTDP).

- Communicate Mass Timber Demonstration Program Life Cycle Carbon Assessment results with target audiences, evaluating the merits of mass timber building solutions in reducing carbon emissions.
- Develop a campaign to communicate the biophilic<sup>1</sup> health benefits that stem from using exposed wood in the built environment by leveraging FII's new and legacy publications. Results captured through quarterly reporting, with a minimum of 1,000 publication downloads/distributed by March 31, 2027.
- Collaborate with industry to share the latest advancements in building and designing with wood at major conferences. In 2026/27, this will include engagement with a minimum of 1,000 people in the naturally:wood booth and/or through sponsored presentations and building tours across at least four events.

### **Objective 1.2: Market opportunities for B.C. forest products are expanded by positioning B.C. as a reliable global supplier of quality products from sustainably managed forests**

This objective focuses on communicating the benefits of using wood from B.C.'s forests. FII delivers a suite of programming that showcases B.C. as a global leader and reliable supplier of quality forest products, from sustainably managed forests.

#### **Key Strategies**

- Create awareness of B.C.'s forest products and practices through a 'Buy B.C.' campaign across naturally:wood's digital channels featuring forestry and forestry products messaging.
- Showcase B.C.'s leadership in sustainable forest management practices via a third-party international report that compares B.C. and Canada's to other forestry jurisdictions.
- Represent B.C.'s interests in the development of the [Canadian Council of Forest Ministers' website](#), trade commissioner factsheets and issues management.

#### **Discussion**

FII develops a wide range of materials, including topical landing pages, articles, reports and videos, while also curating content from other research-based, reputable sources. FII also executes a strategic digital marketing campaign that 'amplifies' content via channels such as e-newsletters, contributed articles in trade publications, search engine marketing and social media posts with the goal of driving traffic to naturallywood.com. Digital platforms such as Google Analytics, Google Search Console, MailChimp, Leadforensics, and social media platforms allow FII to closely track engagements with naturally:wood content. Performance data is compiled on a quarterly basis.

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<sup>1</sup> Biophilic building design integrates natural elements—such as natural light, greenery, water features, and organic materials, including wood—into architectural design to enhance wellbeing, productivity, and sustainability.

## Goal 2: Advance the diversification of B.C.'s forest products in traditional and emerging markets

This goal supports Government priorities to support employment in forestry and innovative wood manufacturing by expanding opportunities in international and domestic markets for both the primary and secondary manufacturing sectors and B.C.'s value-added products<sup>2</sup>. Strategies include a mix of activities delivered by third parties and FII<sup>3</sup> and focus on achieving a long-term balance between existing and emerging markets and traditional and innovative new products. This approach protects the industry from global market volatility and tariffs, and optimizes returns across products, species and grades marketed, while increasing the value generated from B.C.'s forest resource. An independent Market Priorities Committee, made up of senior forest product industry representatives, provides strategic guidance on program implementation priorities. Progress is tracked via performance targets established by FII and its funding recipients with quarterly reporting across the year.

### Performance Measures

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
2a Total number of product trials of B.C. species undertaken in emerging markets <sup>1</sup>	40	42	44	46

Data source: Forestry Innovation Investment Ltd.

<sup>1</sup>Product trials are currently being undertaken in India and Vietnam through FII's subsidiary operations in both markets.

### Discussion

Performance Measure 2a directly reflects the interest of the wood in manufacturing industry in India and Vietnam to try B.C. species, which is a key objective in early market development efforts. FII's Try Canadian Wood program provides qualified Indian and Vietnamese manufacturers with small test volumes of B.C. wood, as well as technical support for trying B.C. wood in new or existing product lines. Product trials completed to date have resulted in a range of furniture and interior finishing products being produced on a test basis, with a number of trials leading to longer-term commercial orders for products made with B.C. species.

<sup>2</sup> 'Primary' manufacturing typically converts logs to lumber, plywood, OSB, etc.; 'secondary' manufacturing typically uses a form of lumber as a raw material input for further manufactured products, such as furniture, windows and doors, engineered wood products, mass timber products, cabinets, moulding and millwork, etc.

<sup>3</sup> FII collaborates with industry trade associations and other funding bodies to leverage its investments for the greatest potential return for B.C.

Performance Measure	2024/25 Baseline	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
2b Total number of ministerial approvals, codes, standards and policies advanced in priority Asian markets to open new segments and remove barriers to wood use <sup>1</sup>	10	10	10	10	10

Data source: Forestry Innovation Investment Ltd; [Canada Wood Group](#), [Wood Pellet Association of Canada](#), [BC Wood Specialities Group](#).

<sup>1</sup>Priority markets include China, Japan and South Korea.

## Discussion

A critical first step in expanding the use of wood in construction is ensuring that building codes, policies, and regulations recognize and support wood-based building solutions. In China, Japan and Korea, FII is working through and with industry partners to engage with builders and officials to help inform code or policy changes and regulatory reforms that enable broader wood use. Each project follows a structured pathway—from engaging with local stakeholders and clarifying technical requirements to completing research, testing, and/or analysis that supports regulatory reform. Progress is tracked through key milestones, including when technical data is submitted to regulatory authorities, when new or revised codes are drafted, approved, and published, and when designers and builders begin applying them in practice. These efforts are instrumental in creating new markets or expanding existing ones for wood construction, opening the door to greater demand for B.C. wood products, building systems, and expertise.

Performance measure 2b is a new measure added for 2026/27 onward to track the number of wood-friendly ministerial approvals, codes, standards, certifications and policies that are adopted annually and which FII and its partners have supported through engagement with in-market builders, policymakers and regulatory authorities. This work includes facilitating knowledge transfer to demonstrate the performance and benefits of wood construction, supporting product testing to meet local standards and requirements, informing code development and regulatory reforms and policies that enable or expand the use of wood in the built environment and promoting the approved codes and standards to the building industry. The new measure has been added to reflect the extensive work undertaken in Japan, China and South Korea where FII has been supporting and working with industry to advance wood use.

## Objective 2.1: Expand opportunities for B.C. wood products in emerging and historic markets

FII's market development programs in India and Vietnam are focused on augmenting the countries' utilization of existing hardwoods with Canadian softwood. The program targets applications for B.C. wood species, with a focus on coastal species, in the manufacturing of doors, windows, architectural millwork, furniture for domestic and export markets, and interior finishing product applications.

FII continues to evaluate other emerging and historic markets to further diversify opportunities for B.C. forest products. This includes the UK market, where FII has established a presence to re-engage buyers and influencers, promote B.C. softwoods for low-carbon construction, and support demonstrations and market entry for B.C. companies.

### **Key Strategies**

- Undertake research to further understand opportunities and barriers in existing and potential markets.
- Monitor and evaluate trade flows and logistics that impact B.C. wood utilization and assess the need for stockists (importers/distributors) to inventory B.C. softwoods for sale.
- Conduct manufacturing product trials to generate commercially successful products using B.C. species.
- Lead education and marketing activities to raise the profile of B.C. wood products and build the Canadian Wood brand in the market.

### **Discussion**

Market development in India and Vietnam is led by FII through subsidiary operations. In India, the program is now in Phase 2 (Expanding Engagement) of a multi-year strategy to achieve commercial acceptance and growth in the wood in manufacturing sector. The approach will be to build on gains made to date, leverage existing demonstration projects, and support the existing stockist network. Vietnam operations are in Phase 1 (Entry and Demonstration) with a [formal subsidiary office established](#) in spring 2022. Initial efforts are focused on building awareness of the Canadian Wood brand and establishing relationships with local manufacturers to introduce B.C. wood species. Progress in both markets is monitored via established annual performance metrics with quarterly reporting requirements.

In 2026/27, FII will be undertaking research to assess different countries, regions and market segments to further diversify market opportunities for B.C. forest products. This includes assessing markets such as the UK, Europe, Middle East and North Africa, Australia/New Zealand and other parts of Southeast Asia. Logistics and manufacturing capacity studies in key markets will help to further assess market opportunity.

### **Objective 2.2: Advance opportunities for B.C. wood products in key Asian markets**

In traditional markets where B.C. wood products already have a strong presence—such as Japan, China, and South Korea—FII works closely with industry partners to maintain B.C.’s market share, identify new strategic segments for growth and overcome barriers to wood use. Market development activities focus on building capacity in wood construction and design, promoting wood products and building systems in targeted sectors, and positioning the merits of B.C. forest products in the market.

## Key Strategies

- Work with industry partners to increase in-market technical capacity<sup>4</sup> for building with wood through education and training of priority audiences includes architects, designers, builders and suppliers. These efforts drive greater interest in wood use across key markets, focusing on high-potential multi-family and non-residential sectors.
- Engage with in-market stakeholders to position B.C. species for use beyond the traditional markets for structural lumber in developing market segments such as prefabricated off-site construction, mid-rise (4-5 storey) buildings, hotel and hospitality, mass timber applications, and green building.
- Support B.C. value-added manufacturers in accessing Asian markets related to the resort, non-residential, and repair and remodeling sectors through B.C. company participation at key trade shows in Asia and facilitating connections with potential buyers.
- Support B.C. biomass producers to maintain market volume and brand recognition in Japan and pursue other market opportunities in Asia.
- Engage with foreign government agencies to help break down market barriers to ensure opportunities for B.C. forest products. This includes addressing building and fire code regulations, phytosanitary requirements and other market access issues.

## Discussion

Environmental concerns, demographic shifts, and evolving construction needs are driving a growing demand for wood in building projects across B.C.'s priority international markets—Japan, China, and South Korea. In these regions wood building systems are being adopted to support low-carbon, energy-efficient, and healthier urban development. The rise in modular and off-site construction reflects a need to reduce costs, improve efficiency, and address labour shortages associated with aging populations. Prefabricated wood solutions, such as mass timber, are gaining popularity for their precision, speed of assembly, and environmental benefits. This convergence of factors is opening new opportunities for innovative wood products from B.C. to meet the evolving demands of these international markets.

In addition to supporting B.C. wood use in construction, FII also supports B.C.'s value-added industry to target opportunities in Asia. This includes supporting the value-added industry's participation in tradeshow, the development of promotional materials, and in-market assistance for B.C. companies to understand, access and expand their global sales.

As the second largest supplier of wood pellets to Japan, FII continues to support efforts by the pellet industry to share information on B.C.'s forest management practices, to maintain in-market stakeholder relationships and to explore new opportunities in Japan and other markets.

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<sup>4</sup> Ensuring architects, engineers, designers, developers and builders have the skills, ability and confidence to choose wood products and building systems.

## Goal 3: B.C. is a leader in using innovative forest products and building systems

This goal supports government's strategic direction to support diversification in the wood manufacturing sector. Strategies focus on addressing research, education and supply chain barriers hampering the use of wood, mass timber and next-generation engineered wood products and building systems in B.C. and across Canada. These strategies also incorporate First Nations capacity building and support First Nations participation in wood manufacturing. In addition, FII is working with government and industry partners to ensure that public projects consistently prioritize the use of wood.

Strategies under Goal 3 are delivered primarily through FII's [Wood First program](#) in consultation with the Wood First Advisory Committee and in partnership/coordination with existing research and service delivery organizations. Progress is tracked via performance targets established by FII and its funding recipients with quarterly reporting across the year.

### Performance Measures

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
3a Total sales (CAD, millions) of wood attributable to directly influenced projects—B.C.'s multi-family and non-residential construction markets <sup>1</sup>	\$180	\$175	\$175	\$180

Data source: WoodWorks BC (program of the [Canadian Wood Council](#))

<sup>1</sup>The target is based on the incremental increase in the value of wood sales that are generated in the year through projects influenced by WoodWorks BC program activities, funded by FII and its funding partners.

### Discussion

This measure tracks success in increasing wood use in B.C. in the commercial, institutional and multi-family residential/mid-rise segment. To this end, FII cost-shares with the Canadian Wood Council and [Natural Resources Canada](#) the WoodWorks BC program to deliver education and technical advisory activities that assist architects, builders and developers to incorporate more wood into projects. Efforts focus on a range of building types (i.e., multi-family, institutional and commercial). This diversification strategy will help expand the influence of the program across the construction sector while protecting suppliers against market fluctuations in any one particular segment of the building sector.

The ability to achieve Performance Measure 3a is contingent upon the performance of FII's funding recipients in their delivery of Wood First programming and on other external factors impacting construction activity in B.C., such as the level of real estate investment and the process for approving and implementing building code changes. WoodWorks BC tracks its engagement with projects as the project moves from identification to design and construction. As soon as the project goes to construction, the value of wood use in that project is captured in the performance measure.

In 2024/25, WoodWorks BC identified a new data source and developed a more sophisticated project lead generation and tracking method, which led to an increase in the number of projects reported, many being large five- to six-storey residential buildings. Forward-looking targets from 2025/26 onward were adjusted to reflect this change. With the multi-family, residential market expected to soften over the coming two years, projections for 2026/27 and 2027/28 have been revised downward to reflect fewer new housing starts. A modest rebound is expected for 2028/29 and beyond.

### **Objective 3.1: Wood is a preferred building material in B.C.**

Driven by emerging trends and issues in materials science, structural engineering, and the rapidly changing technology and building environments, FII is supporting innovation in wood manufacturing, building design and construction in B.C., which in turn de-risks use and creates demand in diverse markets. Enabling early adoption of new and advanced wood technologies and building systems, including taller buildings and larger structures using mass timber, will help shape more resilient, climate-smart communities across Canada. Responding to the opportunities and challenges represented by these dynamics, FII is supporting industry and government efforts to position wood as a preferred building material.

#### **Key Strategies**

- Expand building and design industry capability and competitiveness through advisory support addressing advanced manufacturing, prefabrication, off-site construction, and optimized wood supply chains.
- Work with industry to strengthen technical knowledge through the delivery of events and training sessions to increase confidence in specifying wood, especially mass timber, prefabrication, off-site construction, and hybrid steel-concrete-engineered wood systems.
- Develop best practices guide for wood use in schools by March 31, 2027, to advance the adoption of wood as the primarily material for school design.

### **Objective 3.2: Next-generation B.C. wood technologies and building solutions showcase wood innovation**

Long-term sustainability of the forest economy requires the active maintenance, creation and diversification of demand for B.C. forest products. Through FII's Wood First Program, FII is focused on advancing opportunities across the product value chain, from lumber suppliers and engineered wood manufacturers to skilled labour, engineers, designers and architects. This will position B.C. as a leader in wood innovation, and B.C.'s forest products can be more effectively marketed for construction, interior design and daily living at home and abroad.

Momentum continues to grow around interest in building with wood across jurisdictions with an increasing number of stakeholders and early innovators who are leading the way. Building expert networks, sharing learnings and showcasing B.C.'s wood products, design and construction expertise are key to accelerating that momentum.



### **Key Strategies**

- Support B.C. leadership in wood use through Mass Timber Demonstration Program projects and other mass-timber exemplars that validate emerging technologies and accelerate market readiness.
- Mobilize B.C. research, innovation, and technical evidence through the refresh of the Wood Research Library by March 31, 2027, to advance next-generation wood products, building systems, and performance standards.
- Boost supply chain networks to increase capacity and competitiveness across government, Indigenous partners, academia, forestry and construction industries, positioning B.C. as a global leader in wood innovation.

# Financial Plan

## Financial Summary

\$000s	2025/26 Forecast	2026/27 Budget	2027/28 Plan	2028/29 Plan
<b>Revenues</b>				
Contribution from the Province of B.C.	19,736	19,736	19,736	19,736
Contribution from the Federal Government <sup>1</sup>	890	2,250	2,250	2,250
Other Revenue	442	444	400	400
<b>Total Revenue</b>	<b>21,068</b>	<b>22,430</b>	<b>22,386</b>	<b>22,386</b>
<b>Expenses</b>				
Funding Recipient Initiatives	7,181	7,880	7,686	7,686
Market Outreach and Initiatives				
Government Initiatives and Outreach <sup>2</sup>	5,808	7,350	7,500	7,500
China Market Development	1,915	2,000	2,000	2,000
India Market Development	1,742	950	950	950
Vietnam Market Development	2,429	2,200	2,200	2,200
Corporate Services	1,993	2,050	2,050	2,050
<b>Total Expenses</b>	<b>21,068</b>	<b>22,430</b>	<b>22,386</b>	<b>22,386</b>
<b>Excess of Revenue over Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated Surplus (Deficit)</b>	<b>6,755</b>	<b>6,755</b>	<b>6,755</b>	<b>6,755</b>
<b>Capital Expenditures</b>	<b>148</b>	<b>150</b>	<b>150</b>	<b>150</b>

Note: The above financial information was prepared based on current Generally Accepted Accounting Principles.

<sup>1</sup> Reflects the decision of NRCan to fund the overseas wood export program over the next 3 years

<sup>2</sup> Includes the costs of setting up the UK office to also service the EU, and MEENA. Once a formal legal entity and subsidiary is established a separate budget line item will be created.

## Key Forecast Assumptions, Risks and Sensitivities

The majority of FII's investments, programming and activities are funded by the Ministry of Forests. FII assumes that industry trade associations, research institutes and universities will continue to propose eligible and acceptable activities for FII funding, within FII's approved cost-share rules. It is expected that Natural Resources Canada will supplement FII's contributions to market diversification, starting in April 2026. Information on these funding programs will not be available until early 2026, however they are expected to be complementary to FII's existing programs and activities.

FII funds extensive market development programming in offshore markets. As a result, FII is subject to foreign exchange risk through its program payables and advances, and a portion of FII's program costs, which are denominated in Chinese Renminbi, Indian Rupee, Vietnamese Dong, U.K. Pounds, U.S. Dollars and other foreign currencies. While FII manages exposure to currency risk by monitoring assets and liabilities denominated in foreign currencies and by purchasing foreign denominated currency when market conditions are favourable, volatility in the value of the Canadian dollar against foreign currencies has increased exchange rate risk.

Full impacts of the ongoing trade dynamics with the U.S. are unclear at the time of this Service Plan's release. However, risks for FII and its programs are continuously monitored. FII anticipates a heightened exchange rate risk as the Canadian dollar is affected by economic uncertainty and potential trade tariffs. The delivery of co-funded market development programming led by FII's funding recipients may also be impacted as industry adjusts to new trade conditions and by the continued availability of industry contributions to support program activities.

## Management's Perspective on Financial Outlook

For 2026/27, FII anticipates receiving \$19.736 million in funding from the Province, \$2.250 million from the Federal Government, and \$0.444 million is anticipated to be received from other sources.

A significant portion the available funding from the Province will be used to share the cost of activities proposed and delivered by not-for-profit organizations that responded to FII's most recent market development and Wood First calls for proposals. The budget allocation for such funding recipients will be \$7.88 million. Other budget allocations will be:

- FII China: \$2.0 million— slightly higher than forecasted spending for 2025/26
- FII India: \$0.950 million—below the forecasted spending in 2025/26 as a result of a strategic review of the FII India program
- FII Vietnam: \$2.2 million—approximately the same as forecasted spending in 2025/26
- FII Vancouver's Government Initiatives and Outreach: \$7.350 million, an increase to the previous year to account for costs of the UK, EU and MENA initiatives

## Appendix A: Subsidiaries

### Active Subsidiaries

#### FII Consulting (Shanghai) Co. Ltd.

(Wholly owned by Forestry Innovation Investment Ltd.)

Primary business: Supporting the B.C. forest industry by directing market research and leading government relations and business development, particularly with state-owned enterprises.

Objective: To grow the market for B.C. wood products in China, primarily by creating new demand for structural lumber and related building products.

Strategic Direction and Operating Environment: The business activities and priorities of FII Consulting (Shanghai) Co. Ltd. are fully consistent with the mandate, strategic priorities and fiscal plan of FII Ltd.

Risk Management: FII funds its market development programming in China from Canada and, as a result, FII is subject to foreign exchange risk through its program advances to its subsidiary companies. Program costs for this subsidiary are denominated in Chinese Renminbi. FII manages its exposure to currency risk by monitoring assets and liabilities denominated in these foreign currencies and by purchasing foreign denominated currency when market conditions are favourable. The lower value of the Canadian dollar against the U.S. dollar has increased FII's exchange rate risk as the value of the Chinese Renminbi is roughly pegged against the U.S. dollar. Consequently, increases or decreases in the value of the U.S. dollar relative to other currencies can affect the value of the Renminbi against the Canadian dollar.

#### Financial Summary

\$000s	2025/26 Forecast	2026/27 Budget	2027/28 Plan	2028/29 Plan
Total Revenue	2,058	2,150	2,150	2,150
Total Expenses	(1,915)	(2,000)	(2,000)	(2,000)
<b>Annual Surplus (Deficit)</b>	<b>143</b>	<b>150</b>	<b>150</b>	<b>150</b>

<sup>1</sup> China expenditures must be marked up by 7.5% when being reimbursed each month by FII Vancouver by order of the Peoples Republic of China

#### FII Consulting India Private Limited

(Jointly owned by Forestry Innovation Investment Ltd. and 0939031 B.C. Ltd.)

Primary business: Supporting the development of the Indian market for B.C. forest products through market research, promoting B.C. wood products and related technologies, undertaking product trials and demonstration work, and leading communication and education outreach efforts to enhance awareness of B.C. and Canadian softwood species in India.

Objective: To develop the market for B.C. wood products in India by growing demand for lumber suitable for the manufacturing of furniture, doors and windows, interior millwork and other products.

Strategic Direction and Operating Environment: The business activities and priorities of FII Consulting India Private Limited are fully consistent with the mandate, strategic priorities and fiscal plan of FII Ltd.

Risk Management: FII funds its market development programming in India from Canada and, as a result, FII is subject to foreign exchange risk through its program advances to its subsidiary companies. Program costs for this subsidiary are denominated in Indian Rupees. FII manages its exposure to currency risk by monitoring assets and liabilities denominated in these foreign currencies and by purchasing foreign denominated currency when market conditions are favourable.

### Financial Summary

\$000s	2025/26 Forecast	2026/27 Budget	2027/28 Plan	2028/29 Plan
Total Revenue <sup>1</sup>	2,029	1,106	1,106	1,106
Total Expenses	(1,742)	(950)	(950)	(950)
<b>Annual Surplus (Deficit)</b>	<b>287</b>	<b>156</b>	<b>156</b>	<b>156</b>

<sup>1</sup> India expenditures must be marked up by 16.5% when being reimbursed each month by FII Vancouver by order of the Gov't of India.

### Forestry Innovation Consulting (Vietnam) Ltd.

(Wholly owned by Forestry Innovation Investment Ltd.)

Primary business: Supporting the development of the Vietnam market for B.C. forest products through market research, promoting B.C. wood products, undertaking product trials, and leading communication and education outreach efforts to enhance awareness of B.C. wood species in Vietnam.

Objective: To establish a new market for B.C. wood products in Vietnam by creating demand for lumber suitable for the manufacturing of furniture, doors and windows, interior millwork and other non-structural products.

Strategic Direction and Operating Environment: *The* business activities and priorities of Forestry Innovation Consulting (Vietnam) Ltd. are fully consistent with the mandate, strategic priorities and fiscal plan of FII Ltd.

Risk Management: FII funds its market development programming in Vietnam from Canada and, as a result, FII is subject to foreign exchange risk through its program advances to its subsidiary companies. Program costs for this subsidiary are denominated in Vietnamese Dong. FII manages its exposure to currency risk by monitoring assets and liabilities denominated in this foreign currency and by purchasing foreign denominated currency when market conditions are favourable.

**Financial Summary**

<b>\$000s</b>	<b>2025/26 Forecast</b>	<b>2026/27 Budget</b>	<b>2027/28 Plan</b>	<b>2028/29 Plan</b>
Total Revenue	2,829	2,563	2,563	2,563
Total Expenses	(2,429)	(2,200)	(2,200)	(2,200)
<b>Annual Surplus (Deficit)</b>	<b>400</b>	<b>363</b>	<b>363</b>	<b>363</b>

<sup>1</sup> Vietnam expenditures must be marked up by 16.5% when being reimbursed each month by FII Vancouver by order of the Gov't of Vietnam.

**Inactive Subsidiaries**

- FII maintains a non-operating subsidiary company, 0939031 B.C. Ltd. (wholly owned by Forestry Innovation Investment Ltd.) whose sole purpose is to function as the second shareholder of FII Consulting India Private Limited (reflecting India legislation that requires foreign-owned companies to have at least two shareholders).

## Appendix B: Mandate Letter from the Minister Responsible



Rick Doman Board Chair  
Forestry Innovation Investment Ltd.  
Suite 1200-1130 West Pender Street  
Vancouver, BC V6E 4A4

Dear Rick Doman:

On behalf of Premier Eby and Executive Council, I would like to extend my thanks to you and your board members for your organization's leadership, dedication, and expertise in which you serve the people of British Columbia.

Public sector organizations-including Crown corporations, Health Authorities and Post-Secondary Institutions-support British Columbians by delivering vital public services and are accountable to the public through their Minister responsible. Your continued leadership in advancing and preserving the public interest strengthens trust in public institutions.

This mandate letter, which I am sending in my capacity as Minister responsible for Forestry Innovation Investment, communicates our government's priorities for the entire public sector and provides specific direction and expectations of your organization for the duration of Government's term.

Government's priority is to make a tangible difference in people's lives through growing the economy, creating good paying jobs, strengthening health care and making our communities and neighbourhoods safer for British Columbians. British Columbians expect public sector organizations to deliver responsible, quality services equitably in all regions across the province. This includes strategic stewardship in planning, operations, financial, risk, and human resource management including information security and privacy protection. Providing equitable service requires due consideration of the diverse needs of local communities with specific attention to the unique needs of rural, remote and First Nation communities.

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In the current economic and fiscal context including the threat of U.S. tariffs and other global economic challenges affecting British Columbian families, your organization is to work with ministry staff to review all existing programs and initiatives to ensure programs remain relevant, efficient, sustainable, grow the economy, and help keep costs low for British Columbians. Public sector organizations are expected to adhere to the principles of: cost consciousness, accountability, appropriate compensation, service, and integrity. This includes following the spirit and intent of core government fiscal management practices to make all efforts to achieve administrative and operating efficiencies while delivering core programs and services.

Strategic stewardship requires public sector organizations keep up-to-date systems and implement effective cybersecurity practices, including maintaining information management and cybersecurity policies, guidelines, and standards; assessing enterprise risk for high-value information and services, including confidential and sensitive data; and continuously evaluating and updating security practices to align with industry standards. The [Office of the Chief Information Officer](#) within the Ministry of Citizens Services is available to support and offer guidance to your organization in any of these areas including communication protocols with core government.

As required by the *Climate Change Accountability Act*, you must ensure your organization implements plans and strategies for minimizing greenhouse gas emissions and managing climate risk. Your organization is expected to work with my ministry to report out on these plans and activities as required by legislation. Public sector organizations will continue to take action on climate change, a commitment that remains foundational and key to a healthy and prosperous BC for future generations.

Underlying all this work is our partnership with Indigenous peoples and our commitment to advancing reconciliation. I expect your organization to comply with the *Declaration on the Rights of Indigenous Peoples Act*, including implementing existing commitments made under it. I expect your organization to work in partnership with First Nations rights-holders to advance shared interests.

Public sector organizations must also adhere to government direction provided through the [Public Sector Employers' Council Secretariat](#) (PSEC) with respect to public sector compensation and bargaining mandates. Your organization's compensation decisions must be consistent with policy direction provided through PSEC. Please coordinate closely with PSEC before finalizing compensation decisions for existing CEOs or Presidents and

Vice Presidents and in the recruitment of new CEOs or Presidents. PSEC consultation is also encouraged prior to hiring for Vice President positions.

The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with government's strategic direction and priorities. Within CAS, the [Crown Agencies and Board Resourcing Office](#) will continue to support your board on recruitment, appointments and professional development by ensuring board composition and governance reflects the diversity of our province.

I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and as you develop plans to address the following priorities:

- Conduct a comprehensive review of all programs provided by, and complementary to, Forestry Innovation Investment (FII), focusing on ensuring that funds are directed toward expanding emerging markets, attracting new entrants and innovative businesses to set up in BC, and opening new markets for B.C. wood products.
- Diversify international markets for B.C. forest products.
- Promote wood's environmental merits, and B.C. as a preferred supplier of forest products from sustainably managed forests, and support communications on B.C.'s forest sector.
- Collaborate with B.C. Provincial government ministries and partners to support mass timber and value-added manufacturing with a focus on strengthening the Wood First Act and positioning BC as an economic hub for modular and prefabricated housing.
- Develop a business case for FII to assume a function in lumber marketing, aimed at supporting small and medium-sized forestry and value-added companies in BC to access the inputs required to create more jobs and innovative products.
- Develop a strong brand for B.C. wood products that highlights Indigenous products and partnerships.

Each board member is asked to sign this letter to acknowledge this direction from government to your organization. The signed letter is to be posted publicly on your website by November 2025.

I look forward to continuing to work with you and your board colleagues to ensure the sustainable delivery of the services the public relies on.

Sincerely,



Ravi Parmar  
Minister

Date:

cc: Honourable David Eby, KC  
Premier

Shannon Salter  
Deputy Minister to the Premier, Cabinet Secretary  
and Head of the BC Public Service

Doug Scott  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Elenore Arend  
Associate Deputy Minister, Crown Agencies Secretariat  
Ministry of Finance

Fazil Mihar  
Deputy Minister  
Ministry of Jobs, Economic Development and Innovation

Ian Meier  
Director  
Forestry Innovation Investment

Silas Brownsey  
Director  
Forestry Innovation Investment

Bobbi Plecas  
Director  
Forestry Innovation Investment

Michael Loeth  
Chief Executive Officer/President  
Forestry Innovation Investment



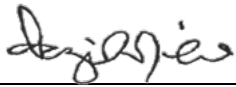
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Rick Doman  
Chair, Forestry Innovation Investment  
Date:



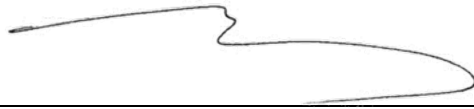
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Ian Meier  
Director, Forestry Innovation Investment  
Date:



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Fazil Mihar  
Director, Forestry Innovation Investment  
Date:



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Silas Brownsey  
Director, Forestry Innovation Investment  
Date:



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Bobbi Plecas  
Director, Forestry Innovation Investment  
Date: